

EXHIBIT D

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Snohomish County, WASH
Case Number: 24-2-02887-31

SUPERIOR COURT OF WASHINGTON FOR SNOHOMISH COUNTY

PACIFIC WATER TECHNOLOGY, LLC,
SPRUCE WATERS INVESTMENTS, LLC,
INDIANA WATER TECHNOLOGY, LLC,
AR WATER SUPPLY, LLC, BLC WATER
COMPANY, LLC, GRANITE STREET
VENTURES, LLC, RUMSON WELLNESS,
LLC, BROWN FAMILY ENTERPRISES,
LLC, KMANDY INVESTMENTS, L.L.C.,
EVER UPWARD, INC., SUN A WY, LLC,
SIRIPI WST, LLC, LIVINGWATER
STATION, LLC, GRAYFIN VENTURES,
LLC, PRASITI WATER INVESTMENTS,
LLC, JBF CONSULTING SERVICES, LLC,
COCO AQUA, LLC, Q & V LLC,
WATERSTATION TECHNOLOGY OF
ROCKVILLE, ARRAVEND, LLC,
FLATLANDS EQUIPMENT, LLC, C&C
INVESTMENT HOLDINGS, LLC, GREAT
OAK WATER, LIMITED LIABILITY
COMPANY, WV WATER TECH, LLC,
KDAWG CRYPTO, LLC, CULMINATE
WATER TECHNOLOGY, LLC, CHUGIT,
LLC, CHAURISHI RETAIL ENTERPRISES,
LLC, PROGRESSIVE PARTNERS, LLC, 210
SA HOLDING, LLC, WST UTAH LLC,
V2S2, LLC, CYBORG HOLDINGS, LLC,
ASH VENDING, LLC, ADVENTURE DONE
RIGHT, LLC, BIG BOY TOOLS LLC,
ROMAN JAROSIEWICZ, ABBY WYATT
GROUP, INC., AIDEN WATERWORKS,
LLC, HOREB WATER SOLUTIONS, LLC,
SILVER OAK H2O, LLC, NS SQ ECO
WATERS, LLC, JK SEVEN LLC, JEFFREY
BROOKE, OED PROPERTIES LLC, JLE

No. 24-2-02887-31

FIRST AMENDED COMPLAINT FOR
DAMAGES AND INJUNCTIVE RELIEF

FIRST AMENDED COMPLAINT FOR DAMAGES
AND INJUNCTIVE RELIEF – 1

CORR CRONIN LLP
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1 ENTERPRISES, LLC, BE OF SERVICE, LLC,
 2 ETANIA, LLC, NIRA ENTERPRISES, LLC,
 3 FACTS PROPERTY SERVICES, LLC,
 4 IMLSUNSHINE, LLC, REDWATERS, LLC,
 5 STARTER HOLDINGS, LLC, HELMUT
 6 GIEWAT, MAY AUERBACH, ROYAL
 7 RESERVOIRS, LLC, AQUALUX WATER
 8 LLC, RCWSTECH1157, LLC,
 9 COLEWSTECH, LLC, MAJI 8377, LLC,
 10 OAKS WATERSTATION TECH, LLC, SDB
 11 H2O, LLC, WST, LLC, HALF FULL
 12 VENDING, LLC, RDWSTECH3594, LLC,
 13 ROSE TRAIL VENTURES, LLC, AND ROSE
 14 TRAIL VENTURES 2, LLC, PRAVIN
 15 THAKKAR JR, KWANSOO LEE, DDS, TOM
 16 ANDERSON, ABBEY ANDERSON, BRIAN
 17 CHU, DDS, LARINA CHU, DAVID
 18 SCHROEDER, SARAH SCHROEDER,
 19 REGINALD FRANKLIN, ANGEL
 20 FRANKLIN, DYLAN ROSS, TAYLOR
 21 ROSS, CODY BISHOP, DAVID BROWN,
 22 KARTHIKA MANDYAM, DAVID
 23 BERANEK, SUSAN PINKERTON,
 24 RADHIKA SIRIPIREDDY, KARL
 25 SCHOENLEBER, JAMES SARTAIN,
 NIRUPA KESKAR, JOHN FLACK, TRUNG
 NGUYEN, LI LIANG, TAN QUAN
 NGUYEN, ASHOKA SHEANH, MATHEW
 FELLOWS, CHARLES COGGINS, THOMAS
 WAWERSICH, JASON BLOUGH, MICHELE
 BLOUGH, KAREN LAVIN, PADMA
 KANDIKONDA, PAVAN KANDIKONDA,
 JAMES VILT II, BASANT KUMAR,
 RADHIKA KAMALLA, MARC
 HILDEBRAND, DEBRA HILDEBRAND,
 MERRILL STODDARD, DANIELLE
 STODDARD, VENKITA SHARMA,
 TIMOTHY DAILEY, ROBERT HOERY,
 STEFANI HOERY, SEAN DONE, ANNA
 DONE, STERLING DAVIS, MARK
 FLEMING, STACEY FLEMING, BO YANG,
 STEVEN WELLS, DUSTIN BRAEGER,
 NAVANEETH KUMAR, WILLIAM WHITE,
 JEANNETTE WHITE, JEFFREY BROOKE,
 JOSHUA OED, JAMES ESTES, ADRIA
 ESTES, MICHAEL BAILEY, KARTHIGA
 JAYARAM, KARTHIKEYAN
 RAMPRASATH, ARCHAN TLKOTI,
 AASHISH PAREKH, JACOB

1 LETOURNEAU, KARLA LETOURNEAU,
 2 KONDA REDDY GADI, SREELAKSHMI
 3 SIRIPURAM, JOSHUA LEYKAM, PAIGE
 4 LEYKAM, HELMUT GIEWAT, DEREN
 5 FLESHER, DDS, GARY YOUNG, HEIDI
 6 YOUNG, RONALD COLE, DDS, JAMES
 7 WALKER, DDS, DUANE OKAMOTO,
 8 LINDA OKAMOTO, SCOTT BURAU, DDS,
 9 BRAD BURAU, DDS, JOSH MCNARY,
 10 ROBERT DOST, DDS,

11 Plaintiffs,

12 v.

13 RYAN R. WEAR and REBECCA A. SWAIN,
 14 CREATIVE TECHNOLOGIES, LLC d/b/a
 15 WATERSTATION TECHNOLOGY, WST
 16 FRANCHISE SYSTEMS LLC, WATER
 17 STATION MANAGEMENT, LLC, KEVIN
 18 NOONEY and ELIZABETH NOONEY, and
 19 the marital community comprised thereof,
 20 REFRESHING USA, LLC, SUMMIT
 21 MANAGEMENT SERVICES, LLC, IDEAL
 22 PROPERTY INVESTMENTS, LLC,
 23 REFRESHING CALIFORNIA L.L.C.,
 24 REFRESHING MONTANA, LLC,
 25 REFRESHING MID-ATLANTIC, LLC,
 REFRESHING CAROLINES, LLC,
 REFRESHING GREAT LAKES, LLC,
 WATERSTATION FINANCE COMPANY,
 LLC, REFRESHING GEORGIA, LLC,
 CREATIVE TECHNOLOGIES FLORIDA,
 LLC, REFRESHING FLORIDA, LLC, 2129
 ANDREA LANE LLC, 3209 VAN BUREN
 LLC, ICE & WATER VENDORS, LLC,
 IDEAL INDUSTRIAL PARK, LLC, IDEAL
 AZ PROPERTY INVESTMENTS, LLC, K-2
 ACQUISITION, LLC, EMERY
 DEVELOPMENT, LLC, ARIZONA WATER
 VENDORS INCORPORATED, WST AZ
 PROPERTIES LLC, 1118 VIRGINIA
 AVENUE LLC, 11519 SOUTH PETROPARK
 LLC, TCR PLUMBING, LLC, 3422 W
 CLARENDON AVE LLC, 1206 HEWITT
 AVE LLC, WATERSTATION
 TECHNOLOGY II, LLC, PISTOL, INC.,
 SMOKEY POINT HOLDINGS, LLC, 602
 SOUTH MEAN, LLC, 719 EDEN, LLC, 343

GROUP LLC, 4300 FOREST LLC, 70 NO GARDEN, LLC, 204 NWW LLC, WATERSTATION TECHVENTURE, LLC, WATER STATION HOLDINGS LLC, WATERSTATION TECHNOLOGY, LLC, REFRESHING COLORADO LLC, ARIZONA VENDORS INC., GOLDEN STATE VENDING, LLC, REFRESHING FLORIDA LLC, REFRESHING MIDWEST, LLC, REFRESHING MIDWEST REAL ESTATE, LLC, REFRESHING NEW MEXICO, LLC, REFRESHING NEW ENGLAND LLC, REFRESHING TEXAS LLC, REFRESHING OKLAHOMA LLC, REFRESHING WASHINGTON, LLC, SMART SODA HOLDINGS, INC., VENDPRO, LLC d/b/a ELITEVEND, HARRISON STREET, LLC, 602 SOUTH MEADOW LLC, 8825 LLC, UNIBANK, U & I FINANCIAL CORP., SIMON BAI, STEPHANIE YOON, D. BENJAMIN LEE, PETER PARK, FIRST FED BANK, FIRST NORTHWEST BANKCORP, NORMAN TONINA, CRAIG CURTIS, JENNIFER ZACCARDO, CINDY FINNIE, DANA BEHAR, MATTEW DEINES, SHERILYN ANDERSON, GABRIEL GALANDA, LYNN TERWOERDS, LARRY HOUK, NORTHWEST FINANCIAL SERVICES, LLC, RICHARD WEAR,

Defendants.

Pacific Water Technology, LLC, Spruce Waters Investments, LLC, Indiana Water Technology, LLC, AR Water Supply, LLC, BLC Water Company, Granite Street Ventures, LLC, and Rumson Wellness, LLC, and the other plaintiffs named herein, ("Plaintiffs") by and through their undersigned attorney, John T. Bender of Corr Cronin LLP, for their Complaint against Defendants Ryan Wear and Rebecca A. Swain, Creative Technologies, LLC, WST Franchise Systems LLC, Water Station Management, LLC, Refreshing USA, LLC, and Kevin Nooney and Elizabeth Nooney, and the marital community comprised thereof, and the other

1 WST Defendants identified in Paragraphs 75-133 below (collectively, “WST”) and non-WST
2 Defendants identified in Paragraphs 134-141, allege as follows:

3
4 **NATURE OF ACTION**

5 1. This suit arises out of fraud, civil conspiracy, violations of the Securities Act
6 of Washington, violations of Washington’s Consumer Protection Act, breach of contract, and
7 other serious misconduct by the WST Defendants and non-WST Defendants alike.

8 2. Ponzi schemes are investment frauds characterized by the organizer’s use of
9 new funds to pay the returns of old investors creating the false impression of a thriving,
10 profitable business. In every Ponzi scheme, at some point the organizer is unable to access
11 the new capital that is necessary to continue making the promised payments that are essential
12 for keeping old investors at bay. Operating a Ponzi scheme also depends on the perpetuation
13 of a complex web of lies designed to keep investors in the dark for as long as possible. This
14 is what has happened here.

15 3. WST, under the direction and control of Defendant Ryan Wear, raised
16 approximately \$130 million from unsuspecting investors who were told they were investing
17 in a growing and profitable water-vending manufacturing and distribution business. WST
18 raised a substantial portion of these funds by using the small business lending system to its
19 advantage, sourcing financing from a select group of partner banks who issued loans to nearly
20 100 different WST investors.

21 4. WST induced investors to invest by representing that the investment would
22 generate steady returns ranging from 12-20%. WST told investors that their capital would be
23 used to purchase water dispensary machines for installation at retail locations throughout the
24 U.S., and that if they were ever dissatisfied with the investment they would receive 100% of
25 their capital back. WST further induced many other investors to finance the investment by

1 assuring them that the revenues generated from their machines would offset the monthly
2 payments necessary to service their loans.

3 5. In late 2022 and early 2023, WST stopped paying the revenue payments that
4 they had assured Plaintiffs would continue during the life of the investment. Unbeknownst to
5 Plaintiffs, WST's ability to find new liquidity sources needed to continue making payments
6 came to an abrupt end. Ever since, WST has been actively misleading investors about the
7 nature of the liquidity shortfall and has repeatedly sowed false hope about payments resuming
8 to keep investors at bay. As it turns out, most if not all of WST's representations dating back
9 to Plaintiffs' initial investments have been false, misleading, or both. WST has engaged in a
10 deliberate scheme to conceal the true state of its operations and the reasons for its sudden
11 shortfall of cash.

12 6. While WST had long touted over 17,000 revenue-generating locations, the
13 number of machines in operation is actually far lower. WST misled Plaintiffs about the
14 existence and locations of the machines they were purchasing. WST diverted tens-of-millions
15 of dollars of investor capital to purchase real property in multiple states, to finance other
16 operations, and to personally enrich Wear.

17 7. Ponzi schemes nearly always entail one or more financial institutions willing
18 to turn a blind eye and/or contribute to the scheme. Here, Unibank and First Fed played a
19 pivotal role in enabling WST's fraud. They combined to issue roughly 90 loans to WST, in
20 the names of investors—funds that were supposed to be used to purchase thousands of
21 operable machines. Unibank and First Fed had superior knowledge, expertise, and access to
22 information that they should have and could have brought to bear to prevent WST's fraud.
23 Instead, both banks made misrepresentations and omissions that deepened the fraud. And,
24 now, despite the role they played in facilitating and profiting from WST's scheme, the banks
25

1 have adopted a hard line in their dealings with the victims of the fraud. To this very day, the
 2 banks have refused to take responsibility for their role, and have made clear that they intend
 3 to force the victims to backstop the banks' losses—even if that means taking investors' homes
 4 and forcing their families into personal bankruptcy.

5 8. Every victim of investment fraud faces financial catastrophe; but the ongoing
 6 and double-edged nature of the instant case makes the current situation all the more tragic.
 7 Plaintiffs, like so many others, have lost their savings. But the cessation of payments has, for
 8 many, also meant the lack of resources to service the Unibank and First Fed loans, which has
 9 now placed their homes and livelihoods in jeopardy.

10 9. The position Plaintiffs and other investors have been placed in is simply
 11 unconscionable. Plaintiffs have been severely damaged by WST, the banks, and others—and
 12 their injuries are continuing. Defendants have robbed Plaintiffs of their financial security and
 13 have put Plaintiffs at great risk of losing their homes and their livelihoods entirely.

14 10. Accordingly, Plaintiffs now bring this action to hold Defendants accountable,
 15 to recover their investments and other monetary damages to which they are entitled, and to
 16 seek all available equitable and or injunctive relief that this Court deems necessary and
 17 appropriate.

18 **PARTIES**

19 11. Pacific Water Technology LLC is a limited liability company registered in
 20 Washington and a borrower-investor in WST. Dr. Kwansoo Lee, a resident of Washington, is
 21 the owner of Pacific Water Technology, and was also harmed by Defendants.

22 12. Spruce Waters Investments LLC is a limited liability company registered in
 23 Florida and a borrower-investor in WST. Tom and Abbey Anderson are married. Anderson is
 24 the owner of Spruce Waters Investments and the Andersons, residents of Florida, were also
 25

1 harmed by Defendants.

2 13. Indiana Water Technology LLC is a limited liability company registered in
3 Indiana and a borrower-investor in WST. David and Sarah Schroeder are married. Schroeder is
4 the owner of Indiana Water Technology and the Schroeders, residents of Indiana, were also
5 harmed by Defendants.

6 14. AR Water Supply LLC is a limited liability company registered in Texas and a
7 borrower-investor in WST. Reginald and Angel Franklin are married. Franklin is the owner of
8 AR Water Supply and the Franklins, residents of New York, were also harmed by Defendants.

9 15. BLC Water Company LLC is a limited liability company registered in Nevada
10 and a borrower-investor in WST. Dr. Brian Chu is married to Larina Chu and is the owner of
11 BLC Water Company and the Chus, residents of California, were also harmed by Defendants.

12 16. Granite Street Ventures LLC is a limited liability company registered in Rhode
13 Island and an investor in WST. Cody Bishop, a resident of Tennessee, is an owner of Granite
14 Street and was also harmed by Defendants.

15 17. Rumson Wellness LLC is a limited liability company registered in New Jersey
16 and a borrower-investor in WST. Dylan and Taylor Ross are married. Ross is the owner of
17 Rumson Wellness and the Rosses, residents of New York, were also harmed by Defendants.

18 18. Brown Family Enterprises LLC is a limited liability company registered in
19 Oregon and an investor in WST. David Brown, a resident of Oregon, is the owner of Brown
20 Family Enterprises and was also harmed by Defendants.

21 19. Kmandy Investments L.L.C. is a limited liability company registered in Texas
22 and a borrower-investor in WST. Karthika Mandyam, a resident of Texas, is the owner of
23 Kmandy Investments and was also harmed by Defendants.

24 20. Ever Upward Inc. is a profit corporation registered in Virginia and a borrower-
25

1 investor in WST. David Beranek, a resident of Virginia, is the owner of Ever Upward and was
2 also harmed by Defendants.

3 21. Sun A WY LLC is a limited liability company registered in Wyoming and an
4 investor in WST. Susan Pinkerton, a resident of Florida, is the owner of Sun A WY and was
5 also harmed by Defendants.

6 22. Siripi WST LLC is a limited liability company registered in Texas and a
7 borrower-investor in WST. Radhika Siripireddy, a resident of Texas, is the owner of Siripi WST
8 and was also harmed by Defendants.

9 23. LivingWater Station LLC is a limited liability company registered in South
10 Carolina and a borrower-investor in WST. Karl Schoenleber, a resident of South Carolina, is
11 the owner of LivingWater and was also harmed by Defendants.

12 24. GrayFin Ventures LLC is a limited liability company registered in Texas and a
13 borrower-investor in WST. James Sartain, a resident of Texas, is the owner of GrayFin Ventures
14 and was also harmed by Defendants.

15 25. Prasiti Water Investments LLC is a limited liability company registered in and
16 an investor in WST. Nirupa Kieskar, a resident of Texas, is the owner of Prasiti Water
17 Investments and was also harmed by Defendants.

18 26. JBF Consulting Services LLC is a limited liability company registered in
19 Tennessee and a borrower-investor in WST. John Flack, a resident of Tennessee, is the owner
20 of JBF Consulting Services LLC and was also harmed by Defendants.

21 27. Coco Aqua LLC is a limited liability company registered in Texas and an
22 investor in WST. Trung Nguyen and Li Liang are married. Nguyen, a resident of Texas, is the
23 owner of Coco Aqua and Nguyen and Liang were also harmed by Defendants.

24 28. Arravend LLC is a limited liability company registered in Wyoming and was a
25

1 borrower-investor in WST. Ashoka Sheanh, a resident of Virginia, is an owner of Arravend and
2 was also harmed by Defendants.

3 29. Flatlands Equipment LLC is a limited liability company registered in Kansas
4 and an investor in WST. Mathew Fellows, a resident of Kansas, is the owner of Flatlands
5 Equipment and was also harmed by Defendants.

6 30. C&C Investment Holdings LLC is a limited liability company registered in
7 North Carolina, and an investor in WST. Charles Coggins, a resident of North Carolina, is the
8 owner of C&C and was also harmed by Defendants.

9 31. Great Oak Water, Limited Liability Company, is a limited liability company
10 registered in Texas and a borrower-investor in WST. Thomas Wawersich, a resident of Texas,
11 is the owner of Great Oak and was also harmed by Defendants.

12 32. WV Water Tech LLC is a limited liability company registered in West Virginia
13 and a borrower-investor in WST. Jason Blough and Michele Blough are married. Blough is the
14 owner of WV Water Tech and the Bloughs, residents of West Virginia, were also harmed by
15 Defendants.

16 33. Kdawg Crypto LLC is a limited liability company registered in Connecticut and
17 a borrower-investor in WST. Karen Lavin, a resident of Connecticut, is the owner of Kdawg
18 Crypto and was also harmed by Defendants.

19 34. Culminate Water Technology, LLC, is a limited liability company registered in
20 Virginia and a borrower-investor in WST. Padma and Pavan Kandikonda are married.
21 Kandikonda is the owner of Culminate and the Kandikondas, residents of Virginia, were also
22 harmed by Defendants.

23 35. ChugIt, LLC, is a limited liability company registered in Florida and a borrower-
24 investor in WST. Jim Vilt II, a resident of Tennessee, is the owner of ChugIt and was also
25

1 harmed by Defendants.

2 36. Chaurishi Retail Enterprises, LLC, is a limited liability company registered in
3 Oregon and a borrower-investor in WST. Basant Kumar, a resident of Oregon, is the owner of
4 Chaurishi and was also harmed by Defendants.

5 37. Progressive Partners LLC is a limited liability company registered in Virginia
6 and an investor in WST. Radhika Kamalla, a resident of Virginia, is the owner of Progressive
7 Partners and was also harmed by Defendants.

8 38. 210 SA Holdings LLC is a limited liability company registered in Texas and an
9 investor in WST. Marc and Debra Hildebrand are married. Hildebrand is the owner of 210 SA
10 Holdings and the Hildebrands, residents of Texas, were also harmed by Defendants.

11 39. WST Utah LLC is a limited liability company registered in Utah and a borrower-
12 investor in WST. Merrill and Danielle Stoddard are married. Stoddard is the owner of WST
13 Utah and the Stoddards, residents of Utah, were also harmed by Defendants.

14 40. V2S2 LLC is a limited liability company registered in Colorado and an investor
15 in WST. Venkita Sharma, a resident of Colorado, is the owner of V2S2 and was also harmed
16 by Defendants.

17 41. Cyborg Holdings LLC is a limited liability company registered in Washington
18 and an investor in WST. Timothy Dailey, a resident of Arizona, is the owner of Cyborg
19 Holdings and was also harmed by Defendants.

20 42. ASH Vending LLC is a limited liability company registered in Colorado and an
21 investor in WST. Robert Hoery and Stefani Hoery are married. Hoery is the owner of ASH
22 Vending and the Howery's, residents of Colorado, were also harmed by Defendants.

23 43. Adventure Done Right LLC is a limited liability company registered in Utah
24 and an investor in WST. Sean Done and Anna Done are married. Done is the owner of
25

1 Adventure Done Right and the Dones, residents of Utah, were also harmed by Defendants.

2 44. Big Boy Tools LLC is a limited liability company registered in Ohio and a
3 borrower-investor in WST. Sterling Davis, a resident of Indiana, is the owner of Big Boy Tools
4 and was also harmed by Defendants.

5 45. Roman Jarosiewicz is a resident of Minneapolis and a borrower-investor in
6 WST.

7 46. Abby Wyatt Group Inc. is a private corporation registered in South Carolina and
8 an investor in WST. Mark and Stacey Fleming are married. Fleming is the owner of Abby Wyatt
9 and the Flemings, residents of South Carolina, were also harmed by Defendants.

10 47. Aiden Waterworks, LLC, is a limited liability company registered in Michigan
11 and an investor in WST. Bo Yang, a resident of Michigan, is the owner of Aiden Waterworks
12 and was also harmed by Defendants.

13 48. Horeb Water Solutions, LLC, is a limited liability company registered in
14 Maryland and an investor in WST. Steven Wells, a resident of Pennsylvania, is the owner of
15 Horeb and was also harmed by Defendants.

16 49. Silver Oak H2O LLC is a limited liability company registered in Colorado and
17 an investor in WST. Dustin Braeger, a resident of Colorado, is the owner of Silver Oak and was
18 also harmed by Defendants.

19 50. NS SQ ECO Waters LLC, is a limited liability company registered in Illinois
20 and a borrower-investor in WST. Navaneeth Kumar, a resident of Illinois, is the owner of NS
21 SQ ECO Waters and was also harmed by Defendants.

22 51. JK Seven LLC is a limited liability company registered in Delaware and a
23 borrower-investor in WST. William and Jeannette White are married. White is the owner of JK
24 Seven and the Whites, residents of Texas, were also harmed by Defendants.
25

1 52. Jeffrey Brooke is a resident of Illinois and an investor in WST.

2 53. Oed Properties LLC is a limited liability company registered in Texas and a
3 investor in WST. Joshua Oed, a resident of Texas, is the owner of Oed Properties and was also
4 harmed by Defendants.

5 54. JLE Enterprises LLC is a limited liability company registered in Colorado and
6 a borrower-investor in WST. James Estes, a resident of Colorado, is the owner of JLE and was
7 also harmed by Defendants.

8 55. Be of Service LLC is a limited liability company registered in Wyoming and a
9 borrower-investor in WST. Michael Bailey, a resident of Texas, is the owner of Be of Service
10 and was also harmed by Defendants.

11 56. Etania LLC is a limited liability company registered in Colorado and a borrower-
12 investor in WST. Karthiga Jayaram and Karthikeyan Ramprasath are married. Jayaram is the
13 owner of Etania and Jayaram and Ramprasath, residents of Colorado, were also harmed by
14 Defendants.

15 57. Nira Enterprises LLC is a limited liability company registered in Texas and a
16 borrower-investor in WST. Archan Tlkoti, a resident of Texas, is the owner of Nira and was
17 also harmed by Defendants.

18 58. Facts Property Services LLC is a limited liability company registered in Arizona
19 and an investor in WST. Aashish Parekh, a resident of Arizona, is the owner of Facts Property
20 and was also harmed by Defendants.

21 59. IMLSunshine LLC is a limited liability company registered in Kansas and an
22 investor in WST. Jacob and Karla Letourneau are married. Karla Letourneau is the owner of
23 IMLSunshine and the Letourneaus, residents of Kansas, were also harmed by Defendants.

24 60. Redwaters LLC is a limited liability company registered in Illinois and a
25

1 borrower-investor in WST. Konda Reddy Gadi and Sreelakshmi Siripuram are married. Gadi
2 is the owner of Redwaters and Gadi and Siripuram, residents of Illinois, were also harmed by
3 Defendants.

4 61. Starter Holdings LLC is a limited liability company registered in Arizona and
5 an investor in WST. Joshua and Paige Leykam are married. Leykam is the owner of Starter
6 Holdings and the Leykams, residents of Arizona, were also harmed by Defendants.

7 62. Helmut Giewat is a resident of Florida and an investor in WST.

8 63. Todd and May Auerbach are residents of California and investors in WST.

9 64. Royal Reservoirs LLC is a limited liability company registered in Oklahoma
10 and an investor in WST. Dr. Deren Flesher, a resident of Oklahoma, is the owner of Royal
11 Reservoirs and was also harmed by Defendants.

12 65. Aqualux Water LLC is a limited liability company registered in Texas and a
13 borrower-investor in WST. Gary Young, a resident of Texas, is the owner of Aqualux and was
14 also harmed by Defendants.

15 66. Q & V LLC, WaterStation Technology of Rockville, is a limited liability
16 company registered in Maryland and a borrower-investor in WST. Tan Quan Nguyen, a resident
17 of Maryland, is the owner of Q & V and was also harmed by Defendants.

18 67. RCWSTECH1157 LLC and COLEWSTECH LLC are limited liability
19 companies registered in Illinois and borrower-investors in WST. Dr. Ron Cole, a resident of
20 Illinois, is the owner of RCWSTECH1157 and COLEWSTECH and was also harmed by
21 Defendants.

22 68. Maji 8377 LLC is a limited liability company registered in Michigan and a
23 borrower-investor in WST. Dr. James Walker, a resident of Michigan, is the owner of Maji
24 8377 and was also harmed by Defendants.
25

1 69. Oaks Waterstation Tech LLC is a limited liability company registered in
2 Wyoming and an investor in WST. Duane Okamoto and Linda Okamoto are the owners of Oaks
3 Waterstation and the Okamotos, residents of Washington, were also harmed by Defendants.

4 70. SDB H2O LLC is a limited liability company registered in Florida and an
5 investor in WST. Dr. Scott Burau, a resident of Florida, is the owner of SDB H2O and was also
6 harmed by Defendants.

7 71. WST LLC is a limited liability company registered in Florida and an investor in
8 WST. Dr. Brad Burau, a resident of Florida, is the owner of WST LLC and was also harmed by
9 Defendants.

10 72. Half Full Vending LLC is a limited liability company registered in Texas and a
11 borrower-investor in WST. Josh McNary, a resident of Texas, is the owner of Half Full and was
12 also harmed by Defendants.

13 73. RDWSTECH3594 LLC is a limited liability company registered in Michigan
14 and a borrower-investor in WST. Dr. Robert Dost, a resident of Michigan, is the owner of
15 RDWSTECH3594 and was also harmed by Defendants.

16 74. Rose Trail Ventures, LLC, and Rose Trail Ventures 2, LLC, are limited liability
17 companies registered in Tennessee and borrower-investors in WST. Pravin Thakkar, a resident
18 of Tennessee, is the owner of Rose Trail Ventures and Rose Trail Ventures 2 and was also
19 harmed by Defendants.

20 75. Ryan Wear and Elizabeth Swain reside in Snohomish County, Washington.
21 Wear is a principal, owner, managing agent, and/or control person of various entity-Defendants
22 named in this action.

23 76. Creative Technologies, LLC, d/b/a WaterStation Technology, upon
24 information and belief, is a limited liability company owned and controlled by Defendant
25

1 Wear that engages in business activities in Snohomish County.

2 77. WST Franchise Systems, LLC, upon information and belief, is a Washington
3 limited liability company owned and controlled by Defendant Wear that engages in business
4 activities in Snohomish County.

5 78. Water Station Management, LLC, upon information and belief, is a
6 Washington limited liability company owned and controlled by Defendant Wear, with a
7 principal place of business in Snohomish County that engages in business activities in
8 Snohomish County.

9 79. Kevin Nooney, upon information and belief, resides in King County,
10 Washington, and is married to Elizabeth Nooney. At all relevant time, Defendant Nooney
11 acted for the benefit of his marital community.

12 80. Refreshing USA LLC, upon information and belief, is a limited liability
13 company owned and controlled by Defendant Wear that engages in business activities in
14 Snohomish County.

15 81. Summit Management Services, LLC, upon information and belief, is a limited
16 liability company owned and controlled by Defendant Wear that engages in business activities
17 in Snohomish County.

18 82. Ideal Property Investments, LLC, upon information and belief, is a limited
19 liability company owned and controlled by Defendant Wear that engages in business activities
20 in Snohomish County.

21 83. Refreshing California L.L.C. upon information and belief, is a limited liability
22 company owned and controlled by Defendant Wear that engages in business activities in
23 Snohomish County.

24 84. Refreshing Montana, LLC, upon information and belief, is a limited liability
25

1 company owned and controlled by Defendant Wear that engages in business activities in
2 Snohomish County.

3 85. Refreshing Mid-Atlantic, LLC, upon information and belief, is a limited
4 liability company owned and controlled by Defendant Wear that engages in business activities
5 in Snohomish County.

6 86. Refreshing Carolinas, LLC, upon information and belief, is a limited liability
7 company owned and controlled by Defendant Wear that engages in business activities in
8 Snohomish County.

9 87. Refreshing Great Lakes, LLC, upon information and belief, is a limited
10 liability company owned and controlled by Defendant Wear that engages in business activities
11 in Snohomish County.

12 88. WaterStation Finance Company, LLC, upon information and belief, is a
13 limited liability company owned and controlled by Wear that engages in business activities
14 in Snohomish County.

15 89. Refreshing Georgia, LLC, upon information and belief, is a limited liability
16 company owned and controlled by Defendant Wear that engages in business activities in
17 Snohomish County.

18 90. Creative Technologies Florida, LLC, upon information and belief, is a limited
19 liability company owned and controlled by Defendant Wear that engages in business activities
20 in Snohomish County.

21 91. Refreshing Florida LLC, upon information and belief, is a limited liability
22 company owned and controlled by Defendant Wear that engages in business activities in
23 Snohomish County.

24 92. 2129 Andrea Lane LLC, upon information and belief, is a limited liability
25

1 company owned and controlled by Defendant Wear that engages in business activities in
2 Snohomish County.

3 93. 3209 Van Buren. LLC, upon information and belief, is a limited liability
4 company owned and controlled by Defendant Wear that engages in business activities in
5 Snohomish County.

6 94. 602 South Meadow, LLC, upon information and belief, is a limited liability
7 company owned and controlled by Defendant Wear that engages in business activities in
8 Snohomish County.

9 95. Ice & Water Vendors LLC, upon information and belief, is a limited liability
10 company owned and controlled by Defendant Wear that engages in business activities in
11 Snohomish County.

12 96. Ideal Industrial Park LLC, upon information and belief, is a limited liability
13 company owned and controlled by Defendant Wear that engages in business activities in
14 Snohomish County.

15 97. Ideal AZ Property Investments, LLC, upon information and belief, is a limited
16 liability company owned and controlled by Defendant Wear that engages in business activities
17 in Snohomish County.

18 98. K-2 Acquisition, LLC, upon information and belief, is a limited liability
19 company owned and controlled by Defendant Wear that engages in business activities in
20 Snohomish County.

21 99. Emery Development, LLC, upon information and belief, is a limited liability
22 company owned and controlled by Defendant Wear that engages in business activities in
23 Snohomish County.

24 100. Arizona Water Vendors Incorporated, upon information and belief, is a limited
25

1 liability company owned and controlled by Defendant.

2 101. WST AZ Properties, LLC, upon information and belief, is a limited liability
3 company owned and controlled by Defendant Wear that engages in business activities in
4 Snohomish County.

5 102. 1118 Virginia Street, LLC, upon information and belief, is a limited liability
6 company owned and controlled by Defendant Wear that engages in business activities in
7 Snohomish County.

8 103. 11519 South Petropark, LLC, upon information and belief, is a limited liability
9 company owned and controlled by Defendant Wear that engages in business activities in
10 Snohomish County.

11 104. TCR Plumbing LLC, upon information and belief, is a limited liability
12 company owned and controlled by Defendant Wear that engages in business activities in
13 Snohomish County.

14 105. 3422 W Clarendon Ave, LLC, upon information and belief, is a limited liability
15 company owned and controlled by Defendant Wear that engages in business activities in
16 Snohomish County.

17 106. 1206 Hewitt Ave LLC, upon information and belief, is a limited liability
18 company owned and controlled by Defendant Wear that engages in business activities in
19 Snohomish County.

20 107. WaterStation Technology II, LLC, upon information and belief, is a limited
21 liability company owned and controlled by Defendant Wear that engages in business activities
22 in Snohomish County.

23 108. Pistol, Inc., upon information and belief, is a Wyoming corporation owned and
24 controlled by Defendant Wear that engages in business activities in Snohomish County.
25

1 109. Smokey Point Holdings, LLC, upon information and belief, is a limited
2 liability company owned, operated, and controlled by Defendant Wear that engages in
3 business activities in Snohomish County.

4 110. 719 Eden, LLC, upon information and belief, is a limited liability company
5 owned, operated, and controlled by Defendant Wear that engages in business activities in
6 Snohomish County.

7 111. 602 South Meadow, LLC, upon information and belief, is a limited liability
8 company owned, operated, and controlled by Defendant Wear that engages in business
9 activities in Snohomish County.

10 112. Group, LLC, upon information and belief, is a limited liability company
11 owned, operated, and controlled by Defendant Wear that engages in business activities in
12 Snohomish County.

13 113. 4300 Forest, LLC, upon information and belief, is a limited liability company
14 owned, operated, and controlled by Defendant Wear that engages in business activities in
15 Snohomish County.

16 114. 70 NO Garden, LLC, upon information and belief, is a limited liability
17 company owned, operated, and controlled by Defendant Wear that engages in business
18 activities in Snohomish County.

19 115. 204 NWW, LLC, upon information and belief, is a limited liability company
20 owned, operated, and controlled by Defendant Wear that engages in business activities in
21 Snohomish County.

22 116. WaterStation Techventure, LLC, upon information and belief, is a limited
23 liability company owned, operated, and controlled by Defendant Wear that engages in
24 business activities in Snohomish County.
25

1 117. Water Station Holdings, LLC, WaterStation Technology, LLC, upon
2 information and belief, is a limited liability company owned, operated, and controlled by
3 Defendant Wear that engages in business activities in Snohomish County.

4 118. Refreshing Colorado, LLC, upon information and belief, is a limited liability
5 company owned, operated, and controlled by Defendant Wear that engages in business
6 activities in Snohomish County.

7 119. Arizona Vendors Inc., upon information and belief, is a limited liability
8 company owned, operated, and controlled by Defendant Wear that engages in business
9 activities in Snohomish County.

10 120. Golden State Vending, LLC, upon information and belief, is a limited liability
11 company owned, operated, and controlled by Defendant Wear that engages in business
12 activities in Snohomish County.

13 121. Refreshing Florida, LLC, upon information and belief, is a limited liability
14 company owned, operated, and controlled by Defendant Wear that engages in business
15 activities in Snohomish County.

16 122. Refreshing Midwest, LLC, upon information and belief, is a limited liability
17 company owned, operated, and controlled by Defendant Wear that engages in business
18 activities in Snohomish County.

19 123. Refreshing Midwest Real Estate, LLC, upon information and belief, is a
20 limited liability company owned, operated, and controlled by Defendant Wear that engages
21 in business activities in Snohomish County.

22 124. Refreshing New Mexico, LLC, upon information and belief, is a limited
23 liability company owned, operated, and controlled by Defendant Wear that engages in
24 business activities in Snohomish County.
25

1 125. Refreshing New England, LLC, upon information and belief, is a limited
2 liability company owned, operated, and controlled by Defendant Wear that engages in
3 business activities in Snohomish County.

4 126. Refreshing Texas, LLC, upon information and belief, is a limited liability
5 company owned, operated, and controlled by Defendant Wear that engages in business
6 activities in Snohomish County.

7 127. Refreshing Oklahoma, LLC, upon information and belief, is a limited liability
8 company owned, operated, and controlled by Defendant Wear that engages in business
9 activities in Snohomish County.

10 128. Refreshing Washington, LLC, upon information and belief, is a limited
11 liability company owned, operated, and controlled by Defendant Wear that engages in
12 business activities in Snohomish County.

13 129. Smart Soda Holdings, Inc., upon information and belief, is a limited liability
14 company owned, operated, and controlled by Defendant Wear that engages in business
15 activities in Snohomish County.

16 130. VendPro, LLC d/b/a EliteVend, upon information and belief, is a limited
17 liability company owned, operated, and controlled by Defendant Wear that engages in
18 business activities in Snohomish County.

19 131. Harrison Street, LLC, upon information and belief, is a limited liability
20 company owned, operated, and controlled by Defendant Wear that engages in business
21 activities in Snohomish County.

22 132. 602 South Mean, LLC, upon information and belief, is a limited liability
23 company owned, operated, and controlled by Defendant Wear that engages in business
24 activities in Snohomish County.
25

133. Richard Wear is a Washington resident and owner of one or more entity-Defendants and/or valuable assets in this matter.

134. UniBank is a state chartered commercial bank organized in Washington that, upon information and belief, engages in business activities in Snohomish County. Unibank is a wholly owned subsidiary of Defendant U & I Financial Corp.

135. U & I Financial Corp. is a profit corporation, organized under the laws of Washington that, upon information and belief, engages in business activities in Snohomish County. U & I is a one-bank holding company which owns and controls all shares of Unibank.

136. Upon information and belief, Simon Bai, Stephanie Yoon, D. Benjamin Lee, and Peter Park are Washington residents. Bai, Yoon, Lee and Park are officers of Unibank and U & I Financial Corp. and, as of August 2022, were Governors of Unibank and U & I Financial Corp. As of 2023, Park is listed as the sole governor of Unibank and U & I Financial Corp.¹

137. First Fed Bank is a state chartered commercial bank organized in Washington that, upon information and belief, engages in business activities in Snohomish County. Upon information and belief, First Fed Bank is a wholly owned subsidiary of First Northwest Bancorp.

¹ The Plaintiffs asserting claims against the Defendants identified in Paragraphs 134 through 136 are: Be of Service, LLC, Ever Upward Inc., WV Water Tech, LLC, SDB H2O, LLC, WST, LLC, C&C Investment Holdings, LLC, COLEWSTECH, LLC, RCWSTECH 1157, LLC, Big Boy Tools, LLC, RDWSTECH3594, LLC, JLE Enterprises, LLC, JBF Consulting Services, LLC, Abby Wyatt Group, Inc., Culminate Water Technology, LLC, Pacific Water Technology, LLC, Starter Holdings, LLC, Sun A WY, LLC, GrayFin Ventures, LLC, V2S2, LLC, Arravend, LLC, Siripi WST, LLC, NS SQ ECO Waters, LLC, ChugIt, LLC, Horeb Water Solutions, LLC, Michael Bailey, David Beranek, Jason Blough, Michele Blough, Scott Burau DDS, Bradley Burau DDS, Charles Coggins, Ronald Cole DDS, Sterling Davis, Robert Dost DDS, James Estes, Adria Estes, John Flack, Mark Fleming, Stacey Fleming, Helmut Giewat, Roman Jarosiewicz, Padma Kandikonda, Pavan Kandikonda, Kwansoo Lee DDS, Joshua Leykam, Paige Leykam, Josh McNary, Susan Pinkerton, James Sartain, Venkita Sharma, Ashoka Sheanh, Radhika Siripireddy, Navaneeth Kumar, James Vilt II, and Steven Wells.

138. First Northwest Bancorp is a holding company which, upon information and belief, owns and controls all shares of First Fed Bank and engages in business activities in Snohomish County.

139. Upon information and belief, Norman Tonina, Craig Curtis, Jennifer Zaccardo, Cindy Finnie, Dana Behar, Matthew Deines, Sherilyn Anderson, Gabriel Galanda, and Lynn Terwoerds are Washington residents. At present, Tonina, Curtis, Zaccardo, Finnie, Behar, Deines, Anderson, Galanda, and Terwoerds are officers and Governors of First Northwest Bancorp.²

140. The Defendants listed in Paragraphs 140 and 143 are referred to collectively herein as the “Bank Governor Defendants.”

141. Larry Houk is a Washington resident, and the owner and operator of Northwest Financial Services, LLC. Upon information and belief, Northwest Financial Services LLC conducts business in Snohomish County.

JURISDICTION AND VENUE

142. This Court has subject matter jurisdiction pursuant to RCW 2.08.010.

143. Venue is appropriate pursuant to RCW 4.12.025 and RCW 4.12.010.

FACTUAL ALLEGATIONS

A. Wear created WST in or about 2013.

144. Ryan Wear formed “WaterStation Technology” in 2013. He has overseen all operations and activities since its founding.

145. Wear has organized dozens of limited liability companies to carry out various

² The Plaintiffs asserting claims against the Defendants identified in Paragraphs 137 through 139 are: BLC Water Company, LLC, COLEWSTECH, LLC, RCWSTECH 1157, Royal Reservoirs, LLC, Brian Chu DDS, Chaurishi Retail Enterprises, LLC, Kdawg Crypto, LLC, Pacific Water Technology, LLC, Indiana Water Technology, LLC, Larina Chu, Ronald Cole DDS, Deren Flesher DDS, Basant Kumar, Karen Lavin, Kwansoo Lee, David Schroeder and Sarah Schroeder.

1 aspects of the same business. For example, in 2016, Wear formed Water Station Management.
 2 In 2017, Wear formed WST Franchise Systems. Wear's companies have repeatedly become
 3 delinquent with the Washington Secretary of State.

4 146. Wear owns or controls 57 active LLCs, at least 20 of which in other states. Many
 5 of these entities are either related to WST's business or hold other valuable assets, which, upon
 6 information and belief, were diverted from WST and are potential sources of recovery in this
 7 action. Many of these entities have been named in this action.

8 147. Upon information and belief, Wear did not honor the corporate formalities of
 9 these entities and operated WST as a single, consolidated enterprise.

10 **B. Wear and WST induced consumers to invest based upon false and misleading**
 11 **assurances about the security and profitability of the investment.**

12 148. Dating back to at least 2017, Wear and WST induced hundreds of investors from
 13 around the country to invest in unregistered securities that WST marketed and sold as franchise
 14 opportunities.

15 149. Wear and WST employed a variety of tactics to solicit and induce Plaintiffs and
 16 others to invest. Wear and WST's marketing efforts were tailored to appeal to a broad range of
 17 potential investors, many of whom had little experience in managing or investing in the type of
 18 business at issue.

19 150. Investors relied on Wear, WST and various third parties' superior knowledge
 20 and expertise with respect to how best to invest their capital. Wear and WST made numerous
 21 false or misleading statements that led investors to believe an investment in WST would be
 22 safer and more profitable than it truly was.

23 151. As set forth in further detail below, the structure of the investment marketed to
 24 investors itself was inherently misleading to investors and designed to be that way.
 25

152. To induce Plaintiffs and others to invest, Wear and WST touted itself as a “fast growing manufacturer” of “revolutionary” and “cutting edge” water dispensary machines with tens of thousands operating locations across the U.S.

153. Wear and WST claimed that the heart of its business was its “patent pending” technology for providing consumers “healthy, alkaline, ionized water” “at a fraction of the cost of its bottled counterpart.” Plaintiffs were assured that THEY were investing in a turnkey business with low overhead and positive cash flow that would generate steady revenues each month.

ADVANCED PURIFICATION TECHNOLOGY

- SEDIMENT FILTRATION**: Removes sediment, carbon, rust, dirt, clay and fine particles.
- CARBON FILTRATION**: Removes chemicals such as chlorine, pesticides and other organic compounds.
- REVERSE OSMOSIS**: Removes all metals, chemicals, pharmaceuticals, salts, bacteria, other solids as well as 99.9% of bacteria.
- FINAL POLISHING**: A carbon polishing filter removes the chlorine, freon, and bad tasting water products.
- ULTRA-VIOLET LIGHT**: Sanitizes.
- ALKALINE MINERALIZED**: Restores minerals and balances pH.

GREAT TASTING, FRESHLY PURIFIED WATER, 24 HOURS A DAY!

The WST-700 is a state-of-the-art water dispensing system that purifies drinking water to a very high standard and then percolates it through layers of natural minerals to produce a soft, silky water in one, three and five gallon increments.

ADVANCED TELEMETRY
Real-time remote monitoring reports cash and credit card sales as well as the status of system components.

Dimensions: 72" H x 37" W x 29" D

- THREE FILL-UP SIZES**: 1, 3, 5, GALLON
- EASILY ACCESSIBLE** FOR WIDE VARIETY OF CONTAINERS
- CASH/COIN CREDIT/DEBIT MOBILE PAY**
- ENGAGING INFORMATIONAL LCD SCREEN**

WaterStation Technology, LLC
2732 Grand Avenue, Suite 122
Everett, WA 98201

WaterStation.
TECHNOLOGY

Product of the U.S.A.
(877) 475 7717
WaterStationTechnology.com


154. Investors were told that they would play an active role in the operation of their franchise.

155. Wear and WST told investors they would have access to a real time “Cloud Portal” and timely and accurate “User Earnings Reports” that would enable them to track the performance of their machines down to the last detail.

156. Wear and WST assured investors that the combination of its proprietary technology and custom “business model” created a “low overhead, cash flow positive business with great, long-term growth potential.”

FRANCHISE OPPORTUNITIES

WaterStation Technology




ABOUT
VIDEOS
TESTIMONIALS

Be a part of the \$11 billion+ U.S. bottled water market with our Alkaline Water Vending Business Opportunity.

The only vending machine that turns local tap water into healthful alkaline, ionized water at a fraction of the cost of bottled alkaline water. Since our WaterStation™ machines use local water, you never have to restock them or keep an inventory of bottled water. With no franchise fee and no royalties, this business opportunity can produce a huge ROI. We offer multiple WaterStation™ package sizes to fit most budgets.

Our family of bottle-less WaterStations™ purify water to the highest standard and then percolate it through a series of natural minerals. Healthy, clean water is dispensed in any volume, from a five-ounce cup to a five-gallon jug.


How Investors Benefit:



12% on investment

► We have been running this program since 2017. Throughout this time, we have adjusted compensation from projections and feedback. Investors now receive 12% of their investment price annually.

FRANCHISE COSTS, FEES & FACTS



REQUEST INFO

Minimum Cash on Hand Required:
\$89,250

Total Investment:
\$297,500 - \$1,000,000

Financing Available:
WaterStation Technology is SBA approved and we have financial institutions that we've worked with in securing loans for investors.

Number of Units:
2,000+ Units Sold

Business Type:
Business Alliance Owner; Passive Ownership Model

Year Founded:
2013

Part-Time / Full-Time:
Both

157. WST assured investors that they would receive valuable rights and services in exchange for investing in its purported franchise. Wear and WST told investors it would supply and install their machines at revenue-generating locations and then service them in exchange for a share of the profits.

158. Wear and WST promised investors annual returns ranging from 12-20% that would be disbursed in regular monthly payments. Wear and WST also assured investors they would receive a “guaranteed buyback” of their machines that would “mitigate [the] risk” of the investment and “improve ROI.” Wear and WST similarly told investors that it would reimburse them for 100% of their principal if they were ever dissatisfied with the investment.

159. These assurances – and many others – were false or misleading or both.

C. WST raised over \$100 million from investors from all over the U.S., many of whom were induced to invest with consumer business loans collateralized with their personal assets.

160. Wear and WST’s fundraising efforts were remarkably successful. To amplify their reach to investors all over the country, Wear and WST invested heavily in internet marketing and entered into kickback arrangements with investment advisors and business brokers around the country.

161. Under these kickback agreements, brokers received commissions ranging between 2% and 10% of every dollar they sourced to Wear and WST. In many cases these arrangements were not disclosed.

162. Wear and WST’s successful marketing campaign created multiple referral streams from which Wear and WST successfully converted new investment capital on the basis of their many false and misleading representations.

163. Upon information and belief, Wear and WST raised over \$100 million from investors throughout the U.S., many of whom were induced to fund the investment with small

business loans collateralized with their personal assets.

164. In the majority of cases, Wear and WST induced investors to obtain loans from a select group of small and regional banks of WST's choosing, with whom WST had undisclosed ties, and who paid the funds directly to WST. Wear and WST told investors that the security and profitability of an investment in WST justified pledging their personal assets as collateral. Wear and WST led the investor-borrowers to believe that the monthly revenue payments from the water machines would more than offset their monthly loan payments.

165. The following table summarizes just the principal investments of Plaintiffs:

Name	Principal Investment
Spruce Waters Investments, LLC	\$994,500
Indiana Water Technology, LLC	\$3,323,500
AR Water Supply, LLC	\$3,272,500
Pacific Water Technology, LLC	\$3,145,000
BLC Water Company, LLC	\$1,003,000
Granite Street Ventures, LLC	\$3,102,500
Rumson Wellness, LLC	\$1,020,000
Brown Family Enterprises, LLC	\$425,000
Kmandy Investments, L.L.C.	\$637,500
Ever Upward, Inc.	\$280,500

1	Sun A WY, LLC	\$1,003,000
2	Siripi WST, LLC	\$3,408,500
3	LivingWater Station, LLC	\$425,000
4	GrayFin Ventures, LLC	\$850,000
5	Prasiti Water Investments, LLC	\$2,805,000
6		
7	JBF Consulting Services, LLC	\$425,000
8		
9	Coco Aqua, LLC	\$425,000
10	Q & V, LLC	\$484,500
11	Arravend, LLC	\$6,362,500
12		
13	Flatlands Equipment, LLC	\$1,020,000
14	C&C Investment Holdings, LLC	\$850,000
15		
16	Great Oak Water, Limited Liability Company	\$382,500
17		
18	WV Water Tech, LLC	\$1,003,000
19	Kdawg Crypto, LLC	\$425,000
20	Culminate Water Technology, LLC	\$425,000
21		
22	ChugIt, LLC	\$3,575,500
23	Chaurishi Retail Enterprises, LLC	\$425,000
24		
25		

1	Progressive Partners, LLC	\$425,000
2	210 SA Holding, LLC	\$500,000
3	WST Utah, LLC	\$425,000
4	V2S2, LLC	\$850,000
5	Cyborg Holdings, LLC	\$600,000
6	Ash Vending, LLC	\$850,000
7	Adventure Done Right, LLC	\$425,000
8	Big Boy Tools, LLC	\$2,975,000
9	Roman Jarosiewicz	\$425,000
10	Abby Wyatt Group, Inc.	\$561,000
11	Aiden Waterworks, LLC	\$595,000
12	Horeb Water Solutions, LLC	\$382,500
13	Silver Oak H2O, LLC	\$297,500
14	NS SQ ECO Waters, LLC	\$425,000
15	JK Seven LLC	\$280,500
16	Jeffrey Brooke	255,000
17	Oed Properties LLC	425,000
18	JLE Enterprises LLC	425,000
19	Be of Service LLC	\$425,000
20	Etania, LLC	\$459,000
21	NIRA Enterprises, LLC	\$850,000
22		
23		
24		
25		

Facts Property Services, LLC	\$425,000
IMLSUNSHINE, LLC	\$425,000
Redwaters, LLC	\$1,386,000
Starter Holdings, LLC	\$425,000
Helmut Giewat	\$195,500
May Auerbach	\$391,000
Royal Reservoirs, LLC	\$433,500
Aqualux Water, LLC	\$1,003,000
RCWSTECH1157, LLC, COLEWSTECH, LLC	\$4,386,000
Maji 8377, LLC	\$1,470,500
Oaks WaterStation Tech, LLC	\$850,000
SDB H2O, LLC	\$1,700,000
WST, LLC	\$1,844,500
Half Full Vending, LLC	\$382,500
RDWSTECH3594, LLC	\$1,598,000
Rose Trail Ventures, LLC, Rose Trail Ventures 2, LLC	\$4,998,000
TOTAL: 76,267,500	

166. The damages Plaintiffs have sustained exceed these sums in an amount to be

1 proven at trial.

2
3 **D. Wear and WST structured the investments as the sale of franchise opportunities**
4 **to use small business loans as a seemingly limitless source of capital—and the**
5 **banks provided substantial assistance.**

6 167. Wear and WST went to great lengths to structure Plaintiffs' investments to look
7 like the sale of franchise opportunities, but the transactions actually constituted sales of
8 unregistered securities. Upon information and belief, Wear and WST structured the investments
9 as franchise opportunities to leverage the small business lending system as a lucrative funding
10 source.

11 168. Most of WST's sales of franchises/unregistered securities adhered to a common
12 playbook and consisted of virtually identical paperwork. First, WST would execute a so-called
13 "*purchase order*" that delineated the number of machines to be sold at a particular price. WST
14 then executed so-called "*franchise agreements*," under which WST was supposed to license
15 investors a lucrative water-vending business model. Next, WST would execute so-called
16 "*service agreements*" with investors, under which WST committed to help install and service
17 the machines that investors had purchased, and then remit monthly revenue payments in
18 exchange for a share of the profits. During the negotiation process, Wear and WST also
19 frequently touted to investors that they were an "SBA approved" franchise, and that WST had
20 close relationships with certain partner banks (including Unibank and First Fed) willing to
21 provide business loans to finance the investment. Unibank and First Fed issued the vast majority
22 of loans to WST investors, issuing collectively close to 90 separate loans further padding the
23 pockets of Wear and WST (Unibank issued over 70 loans and First Fed approximately a dozen).

24 169. Both Unibank and First Fed are Small Business Administration (SBA) preferred
25 lenders and the law imposes upon them the duty to implement and maintain adequate loan
practices, systems, and safeguards. Both Unibank and First Fed are subject to DFI, FDIC, and

1 SBA regulation and rules. In connection with facilitating such a staggering number of
2 investments, each bank engaged in a laundry list of substandard pre- and post-closing loan
3 practices and, as applicable, violations of SBA, FDIC, and industry rules and standards.

4 170. Unibank and First Fed's involvement with these securities transactions went
5 well beyond the typical lender-borrower relationship. Unibank and First Fed had specialized
6 knowledge and expertise that the borrower Plaintiffs and their family members relied on in
7 making the decision to invest. The borrower Plaintiffs reasonably and justifiably relied on
8 Unibank and First Fed to guide them through the process and to disclose any material
9 information bearing on the transaction. Unibank and First Fed assumed fiduciary duties to
10 investors while aiding and abetting Wear and WST's activities.

11 171. Unibank and First Fed also had superior access to information – such as
12 duplicate machine lists, discussed in more detail below – that put them on notice of Wear and
13 WST's fraud. As discussed in further detail below, the significant duplication rate between the
14 machine lists WST provided for dozens of investors – and that the banks used to file UCC-1s
15 to secure the loans – should have triggered fraud alerts at the banks and halted their reckless
16 lending practices. But it did not.

17 172. Both banks also made misrepresentations and/or omissions that misled the
18 borrower Plaintiffs about the relative quality, safety, and propriety of the investment
19 transactions and legal obligations at issue. The banks made misrepresentations and/or
20 omissions about the nature of the transaction that created a false and/or misleading sense that
21 the investment in WST was safer than it truly was. Upon information and belief, Unibank, in
22 particular, made false representations and/or omissions to investors and SBA about the nature
23 of the investments and whether the loans were compliant with the SBA's 7(a) program.

24 173. Unibank and First Fed's roles in the WST scheme were also rife with conflicts
25

1 of interest. Unibank personnel had close personal ties to WST personnel; Unibank personnel
2 even invested in WST themselves, ultimately receiving a full return of their funds. Neither of
3 these facts were ever disclosed.

4 174. First Fed, in turn, made four to five direct loans to WST and Wear prior to the
5 loans it issued to borrower Plaintiffs. First Fed's loan terms with the company granted the bank
6 intimate access to the inner workings of WST, and all manner of internal financial information.
7 Upon information and belief, First Fed was placed on notice of WST's challenges and/or
8 improprieties early on. First Fed never disclosed to borrower Plaintiffs its direct lending to
9 WST, or what it knew and/or learned about WST's precarious financial condition before issuing
10 nearly a dozen loans to borrower Plaintiffs that it knew or should have known WST could not
11 repay.

12 175. Defendant Larry Houk and Northwest Funding Services served as both Unibank
13 and First Fed's loan broker of choice for these securities transactions. Even though Houk was
14 supposed to have represented the subject investors' interests, it does not appear Houk actually
15 did anything of the sort. Instead, the banks frequently relied upon Houk to streamline or
16 expedite the underwriting process by gathering certain investor information. While apparently
17 serving as the banks' preferred loan broker, Houk's son was actually employed by WST. This
18 and Houk's kickback arrangements were never disclosed.

19 176. According to the same playbook, First Fed and Unibank always wired the funds
20 directly to Wear and WST. The borrower Plaintiffs never touched any of the proceeds.

21 177. Both banks were substantial contributors to the sale of tens-of-millions of
22 dollars' worth of WST's unregistered franchise securities. Each bank made substantial profits
23 by engaging in these transactions, and sale of them on the secondary market. All such profits
24 should be disgorged.
25

178. As noted, by virtue of the reckless violations of standard loan practices committed by their employees, and each bank's substandard systems, processes, and safeguards that should have been in place to protect against fraud, each bank recklessly and unmistakably violated industry standards and rules. The banking failures at these banks were systemic. Indeed, Unibank recently amended its public reports conceding the severe credit risk posed by the WST loans and is currently under DFI investigation. Further, each bank engaged in self-serving, misleading, and deceptive conduct to the detriment of the borrower Plaintiffs. The Banking Defendants and their officers are jointly and severally liable.

E. Wear and WST deceived Plaintiffs by selling the same machines to multiple investors and selling machines at locations that, upon inspection, do not exist—and the banks were complicit.

179. Upon information and belief, rather than using investor capital for the manufacture, sale, and placement of water vending machines as promised, Wear and WST diverted investor capital to other entities and for other purposes—including the acquisition of a real estate portfolio worth well over \$100 million at today's prices.

180. Wear and WST led investors to believe that their capital would be used to purchase WST's proprietary water-vending machines. As support for this claim, Wear and WST routinely furnished investors (and, in the case of borrower Plaintiffs, the banks) with written lists bearing serial numbers and locations at which investor machines were supposed to be located. Upon analysis, however, the duplication rate between the various equipment lists furnished by WST are *significant*—in many cases more than a third of the entries are duplicates. In the case of borrower Plaintiffs, had the banks adhered to standard underwriting practices, they would have discovered that the machine lists were riddled with duplicate entries, indicating Wear and WST were, at minimum, selling the same machines to different investors. This revelation should have triggered a fraud and, of course, additional action by the banks to prevent

1 fraud. But, astonishingly, that did not occur.

2 181. Only First Fed and Unibank had access to equipment lists from many loans they
3 were issuing – indeed, WST would provide the banks with lists for each borrower to support
4 the loan. Thus, only First Fed and Unibank had the opportunity to discover the duplicate entries
5 in time to prevent the fraud. But they were willfully and/or recklessly blind to it.

6 182. Had the banks done what they were supposed to do, they would have discovered
7 that the nature of Wear and WST's fraud actually runs deeper. In connection with this case,
8 Upon information and believe, only about 10% of the purported machine "locations" inspected
9 so far actually have machines at that location. In other words, roughly 90% of the machines
10 allegedly sold to investors do not exist at all. Again, had the banks adhered to basic underwriting
11 practices, they would have discovered this information and could have prevented WST's fraud.

12 183. But First Fed and Unibank did none of this. Instead, they willingly issued dozens
13 of fraudulent loans to unsuspecting investors, always transferring the funds directly to WST.
14 By doing so, the banks substantially contributed to and enabled WST's scheme.

15 **F. Wear and WST have violated the securities and franchise laws in a multitude of**
16 **ways—and their deception continues to this day.**

17 184. The list of all of the ways Plaintiffs allege Wear and WST violated their rights
18 and Washington law is quite long. The following are some examples, some of which also apply
19 to Unibank, First, and Houk:

- 20 a. Wear and WST provided investment advice to Plaintiffs and other investors
21 though neither Wear nor WST was not registered in Washington to do so.
- 22 b. Wear and WST misled Plaintiffs and other investors about the safety and
23 profitability of the investment as well as the nature of its growth, assets, and
24 operations.
- 25

- c. Wear and WST failed to screen Plaintiffs and other investors to ensure they were qualified to invest.
- d. Wear and WST deceived Plaintiffs and other investors about the returns they would receive and about the number of machines it had in operation.
- e. Wear and WST deceived Plaintiffs and other investors about how it would use their funds and how many machines they had sold to them.
- f. Wear and WST misled investors about who manufactured the machines.
- g. Wear and WST did not function like or provide the services of a legitimate franchise despite touting the investments as franchise opportunities and signing franchise agreements with investors. Wear and WST never furnished the promised training, software, specifications and standards, or even an operations manual.
- h. Wear and WST never had valuable patent rights in any proprietary technology.
- i. Wear and WST did not grant Plaintiffs and other investors access to real time reporting on the performance of their machines. When such information was purportedly provided it was dysfunctional, inaccurate, and incomplete. When Plaintiffs asked for this or any other information, Wear and WST usually misled them or flat-out lied.
- j. Wear and WST deceived and misled Plaintiffs and other investors about the status and profitability of their investment, and the status of the payments investors and refunds.
- k. Wear and WST did not use investment capital as they assured investors they would do. Instead, they used investor funds for other purposes including the acquisition of real estate.

185. In addition, WST made the following non-exclusive list of material omissions that induced Plaintiffs and many other investors to invest:

- a. WST did not disclose that it was not a registered financial advisor in Washington or any other state;
- b. WST did not disclose that Plaintiffs were purchasing unregistered securities;
- c. WST did not disclose that WST Franchise Systems, the alleged franchisor, in reality provided no value or services;
- d. WST did not disclose the true risks of the transactions;
- e. WST did not disclose the truth about its ability to manufacture, install, and service the machines;
- f. WST did not disclose that the “guaranteed buyback” was actually contingent on (a) WST supplying machines, which would not happen, (b) installing them, which did not happen, and (c) generating sufficient cash flow for long enough to fulfill the guaranty, which did not happen;
- g. WST did not disclose the truth about how investor funds would be used or that it was unable to meet its payment or reimbursement obligations to investors;
- h. WST did not disclose the true risks and costs of the enterprise;
- i. WST did not disclose the true number of water-vending machines in operation;
- j. WST did not disclose that it sold the same machines to multiple investors; and
- k. WST did not disclose that it encountered liquidity shortages as well as other performance factors that inhibited its ability to actually deliver on its many assurances to investors.

186. The acts, representations, and omissions alleged herein were material and created a false sense that the investments were safer and more profitable than was actually the

1 case.

2 187. Plaintiffs relied on Defendants representations and omissions and were not
3 aware of the true facts and risks when they decided to invest. Plaintiffs would not have invested
4 but for these misrepresentations and omissions.

5 **G. WST has not paid investors for months and has gone to great lengths to conceal**
6 **the truth – in a case that bears all of the hallmarks of a Ponzi scheme.**

7 188. As of the filing of this Complaint, Wear and WST have been delinquent on
8 investor payments for many months—in many cases for over a year. Wear and WST have failed
9 to demonstrate any concrete ability to repay Plaintiffs at any point in the future.

10 189. Plaintiffs first learned that there could be a problem at WST when WST stopped
11 making payments in late 2022. Since then, Wear and WST have engaged in a pattern and
12 practice of concealing the true facts from Plaintiffs and other investors to keep them in the dark
13 and prevent them from asserting their legal rights. Wear and WST have refused to provide
14 investors with material information necessary for them to protect their interests despite many
15 requests by Plaintiffs and other investors. When Wear or WST has shared details, the
16 information has generally been false, ambiguous, and/or misleading.

17 190. Since investor payments ended in late 2022 and early 2023, Wear and WST have
18 repeatedly made false assurances about the true financial condition of WST and their ability to
19 repay Plaintiffs the amounts they are owed. Wear and WST have repeatedly planted the seeds
20 of phony optimism, promising over and over again that repayment was just weeks away. For
21 example, in early 2023, Wear and WST told Plaintiffs and other investors that it would enter
22 into purported “buyback” or “refund” agreements to repurchase investor machines – some as
23 quickly as within a few weeks. Despite circulating and even signing dozens of these agreements
24 with Plaintiffs and other investors, Wear and WST never followed through.

191. The true reason for Wear and WST's sudden liquidity problems seems clear. Upon information and belief, Wear and WST diverted tens-of-millions of dollars of investor capital, primarily to acquire a real estate portfolio worth over \$100 million for the benefit of Wear and his other companies. In addition, Wear and WST engaged in a string of third party transactions dating back to at least 2021 that threaten to permanently prejudice the rights and possible recovery of Plaintiffs and other investors.

192. While Plaintiffs' investigation is ongoing, they have strong reason to believe that Wear and WST intermingled tens-of-millions of investor capital with the following real property assets:

Prop. No.	State	Address
1.	AZ	653 E 20 th Street, Yuma, AZ, 85365
2.	AZ	700 S. Arizona Blvd., Coolidge, AZ, 85128
3.	AZ	1930 N 22 nd Ave, Phoenix, AZ, 85009
4.	AZ	4237 E Magnolia, Phoenix, AZ, 85034
5.	AZ	4035 E Magnolia, Phoenix, AZ, 85034
6.	CA	530 Opper Street, San Diego, CA, 92029
7.	CA	25377 Huntwood Avenue, Hayward, CA, 94544
8.	FL	877 Orange Ave., Tallahassee, FL, 32310
9.	FL	2129 Andrea Lane, Fort Myers, FL, 33912
10.	FL	3209 Van Buren Avenue, Naples FL, 34112
11.	GA	1118 Virginia Avenue, Columbus, GA, 31901
12.	GA	121-131 Bells Ferry Road, Marietta, GA, 30066
13.	IL	1000 Nicholas Ave, Elk Grove, IL 60007

14.	IL	14026 S Harrison Avenue, Posen, IL, 60469
15.	IL	1400 Greenleaf Ave, Elk Grove Village, IL, 60007
16.	IL	8460 Thomas Avenue, Bridgeview, IL, 60455
17.	NC	701 Eden Terrace Archdale, NC, 27263
18.	NM	875 W Amador, Las Cruces, NM, 88005
19.	NV	7925 Arby, Las Vegas, NV, 89113
20.	OR	19355 SW Teton Ave, Tualatin, OR, 97062
21.	TN	730 Middle Tenn Blvd Murfreesboro, TN, 37129
22.	TX	11519 South Petropark Ave, Houston, TX, 77041
23.	TX	343 Johnny Clark Road, Longview, TX, 75605
24.	TX	204 NW Road, San Antonio, TX, 78237
25.	TX	2709 Electronic Lane, Dallas, TX, 75220
26.	TX	5167 Veterans Memorial Blvd, Harker Heights, Texas, 76543
27.	WA	8825 S 228 th Street, Kent, WA 98031
28.	WA	27423 (27602) 40 th Ave, Stanwood, WA, 98292
29.	WA	14925 Smokey Point Blvd., Marysville, WA 98271
30.	WA	3811 188 th Street NW, Arlington, WA, 98223
31.	WA	3200 Shoreline Dr., Camano Island, WA, 98282
32.	WA	11410 Beverly Park Rd., Everett, WA, 98204
33.	WA	12 Emery Road, Oroville, WA 98844
34.	WA	1206 Hewitt Avenue, Everett, WA 98201
35.	VA	313 & 315 Ewell Road, Williamsburg, VA, 23188

193. Plaintiffs now bring this action, to recover their funds, through these assets if

1 necessary, and to pursue all other available legal and equitable remedies, including without
2 limitation equitable subordination, piercing of the corporate veil, constructive trust, injunctive
3 relief, and disgorgement or “clawing back” of funds diverted to other persons or entities or for
4 personal gain.

5 **H. The banks continue to seek to enforce the fraudulently induced loans despite their**
6 **direct culpability and facilitation of the WST scheme.**

7 194. As noted, First and Unibank played a major role in the WST scheme by
8 facilitating nearly 90 loans to WST investors due to reckless lending practices and breaches of
9 fiduciary duty. The subject loan agreements and related guaranty and collateral agreements
10 were part and parcel to the offer and sale of WST’s unregistered securities and are
11 unenforceable on the basis of mutual or unilateral mistake, RCW 21.20, and other legal and
12 equitable doctrines.

13 195. However, First Fed and Unibank refuse to take responsibility and continue to
14 seek to enforce the subject loans against Plaintiffs and other investors. Because WST stopped
15 making payments to investors many months ago, the borrower Plaintiffs have been forced to
16 choose between continuing to pay the banks thousands of dollars each month out of their
17 remaining savings, declaring personal bankruptcy, or facing a lawsuit brought by the bank and,
18 in many cases, the potential loss of their family homes.

19 196. Despite their clear culpability in facilitating the WST scheme, the banks
20 continue to require the borrower Plaintiffs to make payments under threat of litigation if they
21 ever stop making payments. Indeed, both First Fed and Unibank have already sued individual
22 borrowers that had to stop making payments as a result of the WST fraud.

23 197. Plaintiffs experienced significant mental and emotional distress once payments
24 from WST suddenly stopped in late 2022 and early 2023. Their distress has only been increased
25

1 by First Fed and Unibank's insistence that the investor-borrowers continue making payments
 2 under the threat of being sued for default or losing their homes to the banks. Faced with this
 3 situation, most borrower Plaintiffs continued making payments even if that meant total
 4 exhaustion of their life savings. These payments, like other payments by the borrower Plaintiffs
 5 to their respective banks, totaling millions of dollars, were induced by the fraud—and made at
 6 a time when WST was assuring investors that payments would resume shortly and that there
 7 would be no long-term problem. These payments were also made before the borrower Plaintiffs
 8 learned that WST was a likely fraud, and, of course, before learning of their respective claims
 9 against the banks despite the banks many failures to disclose material facts. Therefore, all such
 10 funds should be immediately returned. To date, the banks have improperly retained possession
 11 of the borrower Plaintiffs' funds.

12 198. The banks past and ongoing conduct has inflicted and is inflicting the borrower
 13 Plaintiffs with serious harm. The borrower Plaintiffs and their guarantors and/or pledgers seek
 14 this Court's assistance in restraining the banks from further collection action and ultimately
 15 resolving the matter in a fair and equitable manner.

16 **CAUSES OF ACTION**

17 **FIRST CAUSE OF ACTION**

18 **VIOLATIONS OF CHAPTER 19.100 RCW**

19 199. Plaintiffs reallege and incorporate all allegations of this Complaint.

20 200. As alleged herein, WST raised tens-of-millions of dollars from Plaintiffs and
 21 other investors through the offer and sale of franchise opportunities subject to RCW 19.100.

22 201. WST offered and sold franchise opportunities that were not registered with the
 23 State of Washington.

24 202. WST required franchise investors to enter into written franchise agreements
 25

1 with WST and to agree to pay franchise fees.

2 203. As alleged herein, WST made untrue statements of material fact and/or omitted
3 to state a material fact necessary in order to make the statements made, in light of the
4 circumstances under which they are made, not misleading. In addition, WST employed
5 devices, schemes, and artifices to defraud Plaintiffs; and have engaged in acts, practices, and
6 courses of conduct that operate as a fraud or deceit upon Plaintiffs in connection with the
7 subject transaction(s) and after.

8 204. Wear and WST's statements, assurances, and omissions alleged herein induced
9 Plaintiffs to invest their personal capital and/or finance the investment through consumer
10 business loans, in many cases from banks with whom WST had close ties. Later, WST
11 concealed its misconduct and induced Plaintiffs to delay seeking the full return of their funds
12 and otherwise assert their legal rights. WST is responsible for perpetuating a continuing fraud
13 and misrepresentation. Upon information and belief, WST worked in concert with and/or were
14 aided and abetted by others who may be added to this claim and Plaintiffs reserve the right to
15 do so based upon further discovery.

16 205. WST induced Plaintiffs to enter into purported written agreements with WST
17 and third parties (such as Celtic Bank, First Federal Bank, and Unibank) that are void and/or
18 should be rescinded. Plaintiffs reincorporate the express statements and omissions set forth
19 above that induced Plaintiffs and other investors to invest, and maintain their investments,
20 and every other material misrepresentation and omissions that were made, as well as those
21 that will be identified in discovery.

22 206. WST made the assurances and omissions alleged herein to induce Plaintiffs to
23 invest and/or with reason to expect that Plaintiffs would act or refrain from acting to assert
24 their rights. To the extent required, WST's statements and omissions were material and
25

1 justifiably relied upon by Plaintiffs.

2 207. WST's untrue representations and/or omissions induced Plaintiffs to invest in
3 the franchise securities at issue, and maintain their investments, and/or put off taking action
4 to protect themselves, causing Plaintiffs to suffer damages in an amount to be proven at trial.

5 208. WST acted knowingly or recklessly in that, among other things, they failed to
6 ascertain and disclose the true facts to Plaintiffs even though those facts were available to it.
7 Plaintiffs actually and justifiably relied upon the statements and omissions made by Wear and
8 WST in investing in WST and maintaining their investments in WST.

9 209. DFI commenced an administrative investigation of Wear and WST in 2021,
10 and at least one of the banks at some point thereafter, which continues to this day. As
11 applicable, the statute of limitations has been tolled and/or extended by statute, by
12 Defendants' conduct, and, later, by agreement.

13 210. By virtue of Defendants' violations of RCW 19.100 *et seq.*, Plaintiffs are
14 entitled to all remedies available under RCW 19.100 and Washington law, including, without
15 limitation, equitable relief, rescission, constructive trust, actual damages in an amount proven
16 at trial, and treble damages in the amount of three times their actual damages, as well as
17 attorney's fees and costs.

18 **SECOND CAUSE OF ACTION**

19 **VIOLATIONS OF CHAPTER 21.20 RCW**

20 211. Plaintiffs reallege and incorporate all allegations of this Complaint.

21 212. The transactions Plaintiffs were induced to enter into with WST and Unibank
22 and First Fed were unregistered securities transactions under Washington law. These
23 transactions consisted of purchase orders, franchise agreements, service agreements and the
24 disputed loan documents and agreements as part of a single securities transaction.
25

1 213. As alleged herein, Defendants made untrue statements of material fact and/or
2 omitted to state a material fact necessary in order to make the statements made, in light of the
3 circumstances under which they are made, not misleading. In addition, Wear and WST
4 employed devices, schemes, and artifices to defraud Plaintiffs; and Defendants have engaged
5 in acts, practices, and courses of conduct that operates as a fraud or deceit upon Plaintiffs in
6 connection with the subject transaction(s) and after.

7 214. Defendants' representations, assurances, and omissions alleged herein induced
8 Plaintiffs to invest their personal capital and/or finance the investment through consumer
9 business loans, in many cases from banks with whom WST said it had strong ties such as
10 First Fed and Unibank. Defendants' representations, assurances, and/or omissions induced
11 the borrower Plaintiffs to pay First Fed and Unibank substantial sums prior to or at closing
12 and continuing thereafter, even after WST's payments to them ceased.

13 215. Defendants' misrepresentations and/or omissions concerned, among other
14 things, the quality and safety of the investment in WST. They were material because a
15 reasonable person would attach importance to them in determining whether to engage in the
16 investment transaction at issue, because the maker had reason to know Plaintiffs considered
17 the matter important, and/or the misrepresentation or omission constituted an ambiguous
18 representation capable of false interpretation.

19 216. Defendants knew or should have known that their misrepresentations and/or
20 omissions would induce Plaintiffs to act or refrain from acting to their detriment. Defendants
21 knew or should have known that their representations were false and/or were ignorant of the
22 truth and/or reckless in ascertaining the truth or falsity of their representations. Defendants'
23 non-disclosures of material information where they had a duty to speak were tantamount to
24 an affirmative misrepresentation. By way of example, WST told Plaintiffs they would become
25

1 owners of individual machines located all over the country and furnished machine lists for
2 multiple investors to Unibank and First Fed during the pre-closing process which showed, at
3 minimum, that WST was selling duplicate machines to multiple investors. Only Defendants
4 had access to this information.

5 217. Defendants owed Plaintiffs fiduciary duties and were on notice that Plaintiffs
6 were acting on the basis of mistake as to undisclosed facts. First Fed and Unibank assumed
7 fiduciary duties to the borrower Plaintiffs through words and conduct that induced the
8 borrower Plaintiffs to relax their vigilance that they would have otherwise exercised.
9 Plaintiffs were justified in relying on Defendants, as applicable, by virtue of their respective
10 positions in the transactions and Defendants' knowledge, expertise, and superior access to
11 information.

12 218. Plaintiffs incorporate the statements, assurances, conduct and omissions set
13 forth above as if set forth in full herein in support of their claims sounding in fraud. In brief,
14 Defendants' false statements pertained to the relative quality, safety, propriety, and intentions
15 regarding the investment transactions and legal obligations at issue. Defendants' various
16 statements and assurances created the false sense that the investment in WST was safer and
17 of a quality beyond what it truly was. And as applicable to borrower Plaintiffs, Defendants'
18 respective statements and assurances created the false sense that financing the investment
19 with consumer business loans was safer and more secure than it truly was under the
20 circumstances. Moreover, Defendants' omissions and affirmative conduct likewise created a
21 false impression that the investment of personal capital in WST and/or financing the
22 investment with consumer business loans was safer or of a quality beyond what it truly was
23 under the circumstances.

24 219. Upon information and belief, Wear and WST committed a continuing fraud
25

1 and concealment and were aided and abetted by Unibank and First Fed, who had constructive
2 knowledge and/or were deliberately ignorant and yet substantially assisted Wear and WST's
3 scheme. Defendants' acts and omissions concealed their misconduct and induced Plaintiffs to
4 delay asserting their legal rights. Defendants induced Plaintiffs to enter into alleged franchise
5 transactions and, as applicable, written loan agreements and third party guaranties and other
6 collateral agreements on the basis of their fraudulent misrepresentations, omissions and
7 misleading conduct.

8 220. WST concealed its misconduct and induced Plaintiffs to delay seeking the full
9 return of their funds and otherwise assert their legal rights. First Fed and Unibank concealed
10 material facts and conflicts of interest. Defendants are responsible for perpetuating a
11 continuing fraud and misrepresentation. Upon information and belief, WST worked in concert
12 with and/or were aided and abetted by others who Plaintiffs reserve the right to add to this
13 claim upon further discovery. As applicable, the statute of limitations has been tolled and/or
14 extended by Defendants' conduct, and, later, by agreement.

15 221. Defendants induced Plaintiffs to enter into purported written agreements with
16 WST and Unibank and First Fed, as applicable, that are void and/or should be rescinded.
17 Plaintiffs reincorporate the representations and omissions set forth above that induced
18 Plaintiffs and other investors to invest, and maintain their investments, and every other
19 material misrepresentation and omissions alleged herein, as well as those that will be
20 identified in discovery.

21 222. Defendants acted knowingly or recklessly in that, among other things, they
22 failed to ascertain and disclose the true facts to Plaintiffs even though those facts were
23 available.

24 223. Defendants' misrepresentations and/or omissions induced Plaintiffs to invest
25

1 in the securities at issue, and maintain their investments, and/or put off taking action to protect
2 themselves, causing Plaintiffs to suffer damages in an amount to be proven at trial.

3 224. Wear, WST, Unibank, and First Fed (and or their agents, parents, and affiliates
4 as applicable) are liable as sellers of unregistered securities and they and their personnel acted
5 as unregistered securities brokers, advisors, and sales persons, and violated the suitability rule
6 under RCW 21.20.

7 225. WST and Wear and, as applicable to the borrower defendants, Unibank, and
8 First Fed, and potentially other third parties, are primarily, secondarily, and jointly and
9 severally liable to Plaintiffs (as applicable) for their deceptive acts and omissions, and for the
10 offer and sale of unregistered securities. Plaintiffs are entitled to all rights and remedies
11 provided by Washington law and RCW 21.20, including, without limitation, rescission and
12 return of their investment funds, together with interest, costs, and reasonable attorneys' fees,
13 legal and equitable subordination, and constructive trust. To the extent required, Plaintiffs
14 hereby tender back to Wear and WST and, as applied to the borrower Plaintiffs, Unibank and
15 First Fed, all securities purchased. Plaintiffs are entitled to all remedies and damages available
16 under RCW 21.20 and Washington law in an amount to be proven at trial.

17 226. Furthermore, Wear and the Bank Governor Defendants are liable as officers,
18 directors and control persons pursuant to RCW 21.20.430. They are jointly and severally
19 liable to the borrower Plaintiffs for the damages caused by their respective banks' violations
20 of RCW 21.20 in an amount to be proven at trial, including but not limited to all sums received
21 and retained from the borrower Plaintiffs by the subject banks.

22 **THIRD CAUSE OF ACTION**

23 **VIOLATIONS OF WASHINGTON CONSUMER PROTECTION ACT**

24 227. The borrower Plaintiffs reallege and incorporate all allegations of this
25

1 Complaint.

2 228. WST, Wear, Unibank, and First Fed engaged in unfair or deceptive acts or
3 practices in connection with the offer and sale of franchises and/or securities and lending in
4 the state of Washington. Defendants' unfair or deceptive acts or practices continued after the
5 point of sale.

6 229. WST, Wear, Unibank, and First Fed's unfair or deceptive acts or practices
7 occurred in trade or commerce, affect the public interest, and continue to this very day.

8 230. The borrower Plaintiffs have been injured in their business and property, as
9 Defendants accepted investor funds both before and after closing, and have failed to return
10 these funds or otherwise deal with them in a fair and honest manner after the subject
11 transactions were executed. Unibank and First Fed continue to demand payments from
12 borrower Plaintiffs despite their clear facilitation of and culpability in the WST scheme.

13 231. WST, Wear, Unibank, and First Fed's unfair or deceptive acts or practices are
14 ongoing and are a proximate cause of Plaintiffs' injuries. Wear and WST concealed their
15 misconduct, inducing Plaintiffs to delay seeking the return of their funds and otherwise assert
16 their legal rights. As applicable, the statute of limitations has been tolled and/or extended by
17 Defendants' conduct, and, later, by agreement.

18 232. WST, Wear, Unibank, and First Fed have committed per se violations of RCW
19 19.86, including but not limited to violations of RCW 21.20 and RCW 19.100.

20 233. Plaintiffs have been damaged in an amount to be proven at trial. Plaintiffs are
21 entitled to all remedies available under Washington law, including treble damages, attorney's
22 fees, equitable relief, constructive trust, and general and emotional distress damages.
23
24
25

FOURTH CAUSE OF ACTION

**FRAUD AND DECEIT / FRAUDULENT INDUCEMENT /
FRAUDULENT CONCEALMENT / CONTINUING FRAUD / AIDING AND
ABETTING**

234. Plaintiffs reallege and incorporate all allegations of this Complaint.

235. Defendants made false representations and/or nondisclosures through words and/or conduct that were material to, and induced, Plaintiffs' decision to invest as applicable.

236. Defendants' misrepresentations and/or omissions concerned, among other things, the quality and safety of the investment in WST. They were material because a reasonable person would attach importance to them in determining whether to engage in the investment transaction at issue, because the maker had reason to know Plaintiffs considered the matter important, and/or the misrepresentation or omission constituted an ambiguous representation capable of false interpretation.

237. Defendants knew or should have known that their misrepresentations and/or omissions would induce Plaintiffs to act or refrain from acting to their detriment. Defendants knew or should have known that their representations were false and/or were ignorant of the truth and/or reckless in ascertaining the truth or falsity of their representations. Defendants' non-disclosures of material information where they had a duty to speak were tantamount to an affirmative misrepresentation. By way of example, WST told Plaintiffs they would become owners of individual machines located all over the country and furnished machine lists for multiple investors to Unibank and First Fed during the pre-closing process which showed, at minimum, that WST was selling duplicate machines to multiple investors. Only Defendants had access to this information.

238. Defendants owed Plaintiffs fiduciary duties and were on notice that Plaintiffs

1 were acting on the basis of mistake as to undisclosed facts. First Fed and Unibank assumed
2 fiduciary duties to the borrower Plaintiffs through words and conduct that induced the
3 borrower Plaintiffs to relax their vigilance that they would have otherwise exercised.
4 Plaintiffs were justified in relying on Defendants, as applicable, by virtue of their respective
5 positions in the transactions and Defendants' knowledge, expertise, and superior access to
6 information.

7 239. Plaintiffs incorporate the statements, assurances, conduct and omissions set
8 forth above as if set forth in full herein in support of their claims sounding in fraud. In brief,
9 Defendants' false statements pertained to the relative quality, safety, propriety, and intentions
10 regarding the investment transactions and legal obligations at issue. Defendants' various
11 statements and assurances created the false sense that the investment in WST was safer and
12 of a quality beyond what it truly was. And as applicable to borrower Plaintiffs, Defendants'
13 respective statements and assurances created the false sense that financing the investment
14 with consumer business loans was safer and more secure than it truly was under the
15 circumstances. Moreover, Defendants' omissions and affirmative conduct likewise created a
16 false impression that the investment of personal capital in WST and/or financing the
17 investment with consumer business loans was safer or of a quality beyond what it truly was
18 under the circumstances.

19 240. Upon information and belief, Wear and WST committed a continuing fraud
20 and concealment and were aided and abetted by Unibank and First Fed, who had constructive
21 knowledge and/or were deliberately ignorant and yet substantially assisted Wear and WST's
22 scheme. Defendants' acts and omissions concealed their misconduct and induced Plaintiffs to
23 delay asserting their legal rights. Defendants induced Plaintiffs to enter into alleged franchise
24 transactions and, as applicable, written loan agreements and third party guaranties and other
25

1 collateral agreements on the basis of their fraudulent misrepresentations, omissions and
 2 misleading conduct. As applicable, the statute of limitations has been tolled and/or extended
 3 by Defendants' conduct, and, later, by agreement.

4 241. Plaintiffs are entitled to all rights and remedies provided by Washington law,
 5 including, without limitation, rescission and general and economic damages in an amount to
 6 be proven at trial, legal and equitable subordination, together with interest, costs, and
 7 reasonable attorneys' fees. Plaintiffs further seek a constructive trust on all fraudulently
 8 transferred assets and ill-gotten gains.

9 **FIFTH CAUSE OF ACTION**

10 **BREACH OF FIDUCIARY DUTY AND NEGLIGENCE**

11 242. Plaintiffs reallege and incorporate all allegations of this Complaint.

12 243. Through their statements and conduct, WST, First Fed, Unibank, Houk, and
 13 NWFS assumed fiduciary, quasi-fiduciary and/or extra-contractual common law duties to
 14 Plaintiffs with respect to the investments at issue herein by virtue of their acts, omissions,
 15 superior knowledge, expertise, and superior access to information.

16 244. Defendants breached their assumed duties to Plaintiffs proximately causing
 17 them harm.

18 245. Plaintiffs have been damaged in an amount to be proven at trial. Plaintiffs are
 19 entitled to all remedies under Washington law on account of Defendants' breach of fiduciary
 20 and assumed legal duties including constructive trust and general and emotional damages in
 21 an amount to be proven at trial.

22 **SIXTH CAUSE OF ACTION**

23 **NEGLIGENT MISREPRESENTATION**

24 246. Plaintiffs reallege and incorporate all allegations of this Complaint.

1 247. Wear, WST, First Fed, and Unibank are also liable under the law of negligent
2 misrepresentation.

3 248. The investment transactions at issue were transactions in which these
4 Defendants had a pecuniary interest. They supplied information to guide Plaintiffs in making
5 the decision to transact, as applicable, in connection with such transactions. Defendants' false
6 statements pertained to the relative quality, safety, propriety, and even their intentions
7 regarding the investment transactions and legal obligations at issue.

8 249. Defendants knew or should have known that the information was supplied to
9 guide Plaintiffs in their business transactions and were negligent in obtaining or
10 communicating the false information.

11 250. Plaintiffs relied on the false information supplied by Defendants as applicable
12 and their reliance was reasonable.

13 251. Defendants also violated duties to disclose by virtue of (a) Defendants'
14 fiduciary or quasi-fiduciary duties, (b) Defendants' knowledge of facts which were peculiarly
15 within the knowledge of Defendants and not readily obtainable by Plaintiffs, (c) particular
16 Plaintiffs lack of relevant business experience, (d) Plaintiffs' reliance on Defendants'
17 specialized knowledge and experience, and/or (e) the existence of an independent statutory
18 or legal duty.

19 252. The false information communicated by Defendants proximately caused
20 Plaintiffs' damages in an amount to be proven respectively at trial. Plaintiffs are entitled to
21 all legal and equitable remedies available under Washington law including without limitation
22 general damages, damages for emotional distress, and constructive trust.

SEVENTH CAUSE OF ACTION

CIVIL CONSPIRACY

253. Plaintiffs reallege and incorporate all allegations of this Complaint.

254. Upon information and belief, Defendants developed a plan or scheme to engage in the acts and omissions alleged herein, Defendants combined to accomplish an unlawful purpose and/or a lawful purpose by unlawful means. Defendants committed overt acts in furtherance of this scheme as alleged herein. Defendants further entered into express or implied agreements to accomplish the object of said conspiracy. Defendants worked in concert with and/or were aided and abetted by third parties.

255. Defendants are jointly and severally liable to Plaintiffs for damages and attorneys' fees and costs, in an amount to be proven at trial, for any conspiracy that existed. Plaintiffs are entitled to all legal and equitable remedies by virtue of Defendants' conspiracy including constructive trust.

EIGHTH CAUSE OF ACTION

VIOLATIONS OF CHAPTER 19.40 RCW

256. Plaintiffs reallege and incorporate all allegations of this Complaint.

257. Upon information and belief, Defendants Wear, WST and First Fed have engaged in one or more transactions between themselves, affiliates, including Defendant Ideal Property Investments, LLCs, and/or others, without fair consideration or reasonably equivalent value, and to hinder, delay, or secrete funds away from Plaintiffs, who are creditors of such Defendants and who are entitled to repayment.

258. WST was not paying its debts, was insolvent at the time and/or became insolvent as a result of such transfer.

259. Such transaction(s) were undertaken with the requisite "intent" for purposes of

1 RCW 19.40.041 and .051.

2 260. The transfers of assets alleged herein were voidable transfer under Ch. 19.40
3 RCW and thus should be voided to the extent necessary to satisfy Plaintiffs' claims.

4 261. Plaintiffs seek all available remedies under Chapter 19.40 RCW, including,
5 without limitation:

- 6 a. Money damages for the value of the asset transferred in the amount necessary
7 to satisfy Plaintiffs' claims in an amount to be proven at trial;
8 b. Avoidance of the transfer to the extent necessary to satisfy Plaintiffs' claims;
9 c. Attachment or any other provisional remedy against the asset transferred or
10 other property of the transferee as available under applicable law;
11 d. Temporary, preliminary, and permanent injunctive relief;
12 e. Appointment of a receiver to take charge of the asset transferred or other
13 property of the transferee; and
14 f. Any other relief the circumstances may require, including damages payable by
15 the Sunset Buyers to fully compensate Plaintiffs for their losses.

16 262. Plaintiffs reserve the right to supplement and request that their claims under
17 RCW 19.40 be conformed to the evidence obtained in discovery and admissible at trial.
18 Plaintiffs seek a constructive trust on all fraudulently transferred assets and ill-gotten gains.

19 **NINTH CAUSE OF ACTION**

20 **MONEY HAD AND RECEIVED / CONVERSION**

21 263. Plaintiffs reallege and incorporate all allegations of this Complaint.

22 264. Plaintiffs collectively invested their savings with WST. The borrower
23 Plaintiffs have in addition paid substantial sums to First Fed and Unibank in the form of down
24 payments, fees, monthly payments, interest, penalties, and other loan related payments.
25

1 265. Defendants received, benefited from, and have wrongfully retained Plaintiffs'
2 funds despite Plaintiffs' demands.

3 266. Plaintiffs are entitled to restoration of the amount of money conferred to
4 Defendants, and all other relief afforded by Washington law, in an amount to be proven at
5 trial.

6 **TENTH CAUSE OF ACTION**

7 **UNJUST ENRICHMENT / RESTITUTION**

8 267. Plaintiffs reallege and incorporate all allegations of this Complaint.

9 268. Plaintiffs collectively invested their savings with WST. The borrower
10 Plaintiffs have in addition paid substantial sums to First Fed and Unibank in the form of down
11 payments, fees, monthly payments, interest, penalties, and other loan related payments.

12 269. WST and the banks received, benefited from, and have wrongfully retained
13 Plaintiffs' funds despite Plaintiffs' demands.

14 270. Plaintiffs are entitled to restoration of the value of the benefits conferred and
15 or restitution in the amount to be proven at trial, and all other relief afforded by Washington
16 law, including but not limited to equitable subordination and constructive trust in an amount
17 to be proven at trial.

18 **ELEVENTH CAUSE OF ACTION (IN THE ALTERNATIVE)**

19 **BREACH OF CONTRACT / BREACH OF IMPLIED COVENANT OF GOOD**

20 **FAITH AND FAIR DEALING / ANTICIPATORY REPUDIATION**

21 271. Plaintiffs reallege and incorporate all allegations of this Complaint.

22 272. This cause of action is pled in the alternative to Causes of Action One through
23 Ten insofar as any of the written purchase orders, franchise agreements, buyback agreements,
24 service agreements, loan agreements, guaranties, security agreements, or any other related
25

1 agreements, as applicable, are deemed valid and enforceable, and Plaintiffs make an election
2 to proceed on a breach of contract theory at trial. Plaintiffs reserve all rights to make this
3 election before trial:

4 273. To the extent such agreements are deemed validly formed and enforceable,
5 WST has repudiated and breached its agreements with Plaintiffs by, among other things,
6 failing to perform all material terms of said agreements, including, but not limited to, failing
7 to remit the payments promised to Plaintiffs and failing to promptly cure defective
8 performance.

9 274. WST and the banks also violated the duty of good faith and fair dealing, as
10 well as verbal and implied agreements, related to such agreements and breached extrinsic
11 promises and assurances to Plaintiffs related to WST's promised performance of the subject
12 purchase orders, franchise agreements, buyback agreements, and service agreements.

13 275. To the extent such agreements are deemed validly formed and enforceable,
14 WST has anticipatorily repudiated said agreements. Among other things, WST has failed to
15 tender and deliver the machines that were originally paid for, failed to present and/or deliver
16 the machines upon demand, and stopped making the promised payments for many months—
17 in some cases for over a year. Further, WST has expressly or impliedly confirmed its inability
18 to make such payments or resume making such payments or other performance with its
19 obligations under said agreements. WST's repudiation has substantially impaired the value
20 of such agreements and caused Plaintiffs substantial harm.

21 276. Plaintiffs have complied with or substantially complied with in good faith any
22 and all notice of default provisions under any applicable agreement under the circumstances
23 and/or the requirement to comply with such conditions has been waived by anticipatory
24 breach or applicable legal or equitable basis. Any and all agreements have been breached,
25

1 repudiated and/or anticipatorily repudiated by WST.

2 277. Plaintiffs are entitled to all available damages and remedies under Washington
3 at law for breach of contract, in an amount and of a nature proven at trial, including but not
4 limited to rescission and return of their principal investments plus interest, expectation
5 damages, consequential losses, constructive trust, and incidental damages.

6 **TWELFTH CAUSE OF ACTION**

7 **PROMISSORY ESTOPPEL / IMPLIED CONTRACT**

8 278. Plaintiffs reallege and incorporate all allegations of this Complaint.

9 279. Defendants are liable to Plaintiffs under the law of estoppel and implied
10 contract.

11 280. Defendants made promises to Plaintiffs that they should have reasonably
12 expected to make Plaintiffs change their position. Plaintiffs reasonably relied on these
13 promises and changed their positions as a result of such promises. Injustice can only be
14 avoided by enforcing Defendants' promises.

15 281. Plaintiffs are entitled all legal and equitable remedies, protections, and/or
16 rulings available under the law of estoppel including damages in an amount to be proven at
17 trial and constructive trust.

18 **THIRTEENTH CAUSE OF ACTION**

19 **VARIOUS STATE LAW CLAIMS (IN THE ALTERNATIVE)**

20 282. Plaintiffs reallege and incorporate all allegations of this Complaint.

21 283. Alternatively, Defendants are liable to Plaintiffs under the law of the states in
22 which Plaintiffs are residents based upon the facts alleged herein and facts developed in
23 discovery.

24 284. Based on the litany of misrepresentations, omissions, unfair or deceptive
25

1 conduct, failure to register financial products and/or register as a broker or salesperson,
 2 breaches of fiduciary duty, breaches of common law and contractual duties alleged herein,
 3 and other violations alleged herein, each Plaintiff hereby asserts in the alternative any and all
 4 claims, rights, remedies, damages, and/or protections that they have under the securities laws,
 5 consumer protection laws, franchise laws, tort law, law of contracts, and/or common law of
 6 their following residential states without limitation: Arizona, California, Colorado,
 7 Connecticut, Florida, Kansas, Illinois, Indiana, Maryland, Michigan, Minnesota, North
 8 Carolina, New York, Oregon, Oklahoma, Pennsylvania, South Carolina, Tennessee, Texas,
 9 Utah, Virginia, and West Virginia.

10 285. In addition to claims and remedies under such state's common law, such state
 11 laws include, without limitation, the following: Ariz. Revised Statutes, Title 44, Chapters 1,
 12 8-10, 12-1, and applicable rules; Cal. Penal Code § 496, Cal. Business and Professions Code
 13 § 17200, Civil Code §§ 1573, 1750-1784, Cal. Civil Procedure Sections 10399.8, 3372, and/or
 14 3294, Cal. Corp. Code 31000 et seq., and Cal. Corporate Securities Law of 1968, and
 15 applicable rules; Col. Revised Statutes, Title 6, Part 1, Title 51-54, and applicable rules; Conn.
 16 General Statutes, Title 21a, Title 36b, and applicable rules; Florida Securities and Investor
 17 Protection Act, and applicable rules; Kan. Statutes, Chapter 17, Article 12a, Chapter 50,
 18 Articles 6, 10, and applicable rules; Ill. Consumer Fraud and Deceptive Business Practices
 19 Act, Illinois Securities Law, and Illinois Franchise Disclosure Law, and applicable rules;
 20 Indiana Code, Title 24, Chapters .05 and 8, and Indiana Uniform Securities Act, and
 21 applicable rules; Maryl. Code, Titles 11 and 13, and applicable rules; Mich. Consumer
 22 Protection Act, Mich. Uniform Securities Act, and Mich. Franchise Investment Law, and
 23 applicable rules; Minn. Code, Chapters 80A, 80C, 325F.69, and applicable rules; North
 24 Carolina Securities Act, Consumer Protection Act, and applicable rules; NY General Business
 25

1 Law § 349, New York Code Rules and Regulations Title 13, and applicable rules; Or.
 2 Unlawful Trade Practices Act, Or. Securities Law, and Or. Franchise Act, and applicable
 3 rules; Ok. Consumer Protection Act, Ok. Uniform Securities Act, and applicable rules; S.C.
 4 Consumer Protection Code, S.C. Uniform Securities Law, and applicable rules; Tennessee
 5 Consumer Protection Act, Tennessee Securities Act, and applicable rules; Tex. Uniform
 6 Deceptive Trade Practices Act, Tex. Securities Act, and applicable rules; Utah Consumer
 7 Sales Protection Act, Utah Business Opportunity Disclosure Act, Utah Uniform Securities
 8 Act, and applicable rules; Virginia Consumer Protection Act, Virginia Securities Act, and
 9 Virginia Retail Franchising Act, and applicable rules; W.V. Consumer Credit and Protection
 10 Act, W.V. Uniform Securities Act, and applicable rules; Pennsylvania Unfair Trade Practices
 11 and Consumer Protection Law, and applicable rules, Pennsylvania Securities Act, and
 12 applicable rules.

13 286. As set for herein, Plaintiffs are entitled all legal and equitable remedies, and
 14 rights and protections, afforded by the laws of these states, in an amount and nature to be
 15 proven at trial, and, to the extent required, in accord with their pre-trial election.

16 **REQUEST FOR RELIEF**

17 WHEREFORE, Plaintiffs respectfully requests that the Court award the following
 18 relief:

- 19 1. For orders conforming Plaintiffs' claims to the evidence developed in
 20 discovery;
- 21 2. For any and all legal or equitable remedies available under applicable law;
- 22 3. For awards of economic and non-economic damages and equitable relief
 23 against Defendants in an amount and of a nature to be determined at trial;
- 24 4. For prejudgment interest on any portion of the damages award that is for a
 25

1 liquidated amount;

2 5. For awards of all remedies available under RCW 21.20 and/or RCW 19.100,
3 including without limitation rescission, money damages in an amount to be proven at trial,
4 and attorney's fees and costs;

5 6. For temporary, preliminary, and permanent injunctive relief staying further
6 disputed loan payments to Unibank and First Fed and preventing the banks from defaulting
7 or accelerating the loans in the borrower Plaintiffs' names pending the outcome of this
8 litigation;

9 7. For orders finding the disputed agreements - including loan agreements,
10 guaranties, and other loan documents of the borrower Plaintiffs - void, invalid, rescinded,
11 and/or unenforceable under applicable law;

12 8. For temporary, preliminary, and permanent injunctive relief enjoining and
13 restraining Wear, WST, and WST's representatives, officers, agents, affiliates, owners, or
14 successors, from continuing to engage in the unlawful conduct complained of herein,
15 including transferring any funds or assets away from or between Defendants, or otherwise
16 hindering or delaying the recovery of assets, and/or appointing a receiver;

17 9. For all available remedies under Chapter 19.40 RCW, including, without
18 limitation:

- 19 a. Money damages for the value of the assets transferred in the amount necessary
20 to satisfy Plaintiffs' claims and in an amount to be proven at trial;
21 b. Avoidance of transfers to the extent necessary to satisfy Plaintiffs' claims;
22 c. Attachment or any other provisional remedy against assets transferred or other
23 property as available under applicable law;
24 d. Temporary, preliminary, and permanent injunctive relief enjoining and
25

- restraining further disposition by Defendants of assets and other property sufficient to satisfy Plaintiffs' claims;
 - e. Appointment of a receiver to take charge of the asset transferred or other property of the transferee; and
 - f. Any other relief the circumstances may require, including damages payable by Defendants or third parties.
10. For alter ego liability / piercing the corporate veil as applicable;
 11. For joint and several liability under applicable law;
 12. For an award of attorneys' fees and costs incurred in this action;
 13. For restitution, rescission, and legal or equitable subordination in favor of Plaintiffs' claims;
 14. The imposition of a constructive trust on WST and Ryan Wear's assets and ill-gotten gains, including any and all real estate in Wear or any Wear entity's name;
 15. Civil penalties under applicable statutes;
 16. Damages for emotional distress, mental anguish, and any other general damages;
 17. Disgorgement of ill-gotten gains and unjust enrichment;
 18. Punitive and treble damages;
 19. Subordination of competing priority interests;
 20. Any and all remedies available to Plaintiffs under applicable foreign state law;
 21. Leave to amend to add additional claims and Defendants based on further discovery; and
 22. For such other and further relief as the Court deems just, equitable, or warranted by law.

1 DATED this 21st day of June, 2024.

2
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CERTIFICATE OF SERVICE

The undersigned certifies as follows that on the below date, I caused a true and correct copy of the foregoing document to be served on the following parties via electronic mail:

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1 DATED: June 21, 2024, at Seattle, Washington.

2
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